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# ***Daily Report***

# **China**

**FBIS-CHI-90-159**

**Thursday**  
**16 August 1990**

# Daily Report

## China

FBIS-CHI-90-159

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16 August 1990

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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### General

#### Seminar on City Development Opens in Beijing

OW1508164790 Beijing XINHUA in English  
1409 GMT 15 Aug 90

[Text] Beijing, August 15 (XINHUA)—More than 50 Chinese and foreign experts and scholars opened a seminar to discuss the protection of historic cities and their development here today.

Participants from 13 countries and regions, including Italy, Britain, the Soviet Union, Japan and the United States, listen to readings of 17 papers during the four-day meeting which was initiated by Beijing's Vice-Mayor Zhang Baifa.

The seminar's agenda includes a photo display of Firenze, Italy, and models showing Beijing's development. Participant will get a bird-eye view of the Chinese capital and visit a "siheyuan," a traditional Beijing compound with houses around a courtyard.

#### Information Network Seminar Opens in Beijing

OW1508145590 Beijing XINHUA in English  
1411 GMT 15 Aug 90

[Text] Beijing, August 15 (XINHUA)—The World Trade Centers Association (WTCA) opened a seminar here today to promote the development of information networks in Southeast Asia.

The more than 200 participants include representatives from 20 big cities around the world, from the World Trade Center in Beijing and a business study group from Taiwan. Beijing Mayor Chen Xitong and WTCA President Tadayoshi Yamada attended the opening session.

During the three-day meeting, there will be briefings on the function of information networks in Southeast Asia and the experience of Beijing and Taipei in using information networks.

The seminar is being sponsored by the Beijing World Trade Center on behalf of the WTCA.

The New York-based WTCA has 217 members. Its information network, which was set up in 1985, boasts 3,600 terminals with 85,000 subscribers.

#### Western Pacific Regional Cooperation Viewed

HK1608040190 Beijing RENMIN RIBAO in Chinese  
7 Aug 90 p 7

[Article by Lu Linshu (6424 2651 2579): "Present Situation and Tendency of Economic Cooperation in Western Pacific Region"]

[Text] The Western Pacific Region generally refers to the big "Moon Circle" which links the Soviet Far East, including East Asia and Southeast Asia, in the north, and Australia and New Zealand in the south. The region is

rich in natural resources and labor force, is potentially a huge international market, and is equipped with a modern industrial structure based on sufficient funds, advanced technologies, and a sound foundation.

The region witnessed rapid economic development in the 1980's. Since 1985, the average annual economic growth rate of seven percent has remained higher than any other region in the world, enjoying the fastest economic growth. This has promoted the economic and industrial development of various different countries (regions) in the region and accelerated the pace of economic cooperation among them.

Over the past few years, a unique industrial cooperation structure based on a scientific division of labor has taken shape, the formation of which has greatly strengthened economic cooperation.

The newly formed and still expanding Western Pacific Economic Cooperation Zone, though different from the European Community and the U.S.-Canada Free Trade Zone, and lacking in comprehensive economic cooperation policies jointly formulated by various governments concerned, is becoming more and more attractive to various countries in the region for the simple reason that it offers a unique industrial structure which they can exploit in their effort to gain "relative economic interests." On the one hand, these countries intend to perfect their own economic organizations, develop their respective economic advantages, and strengthen their competitiveness in the keen economic competition by making use of the advanced technologies and rich economic resources offered by the zone; on the other hand, they intend to readjust their respective economic development strategies, accelerate their own export-oriented industrial development, and speed up their own national economic development through cooperation with one another. After years of economic cooperation, a unique circulation mechanism adaptable to unbalanced regional industrial development, namely, a mutually complementary competition-cooperation economic development pattern, has finally taken shape in the region. Economic cooperation based on this pattern has overtaken economic cooperation among various European and American countries in a lot of fields. After entering the 1980's, economic cooperation among various countries (regions) in the region has entered a new period characterized by coordinated development based on both vertical and horizontal division of labor, rather than on vertical division of alone. The following two factors are mainly responsible for the rapid expansion of industrial cooperation: 1. smooth flow of funds; 2. increased direct investment. In the 1960's and 70's, funds flowing in the region were mainly bank loans and economic aid. Since the 1980's, the proportion of direct investment has grown bigger and bigger. Japan has become not only the main supplier of credit and loans but also the biggest investor in the region. Japan's investment in Asia now accounts for a significant proportion of total overseas investment.

Regional countries are now actively trying to improve their own investment environment as well as their foreign economic policies and policies aimed at attracting foreign investment. With the growing trade conflict between Japan and the United States, and between the United States and Western Europe, Japan and the "Four Small Asian Dragons" are likely to increase their direct investment in the region in the years ahead. Moreover, Western Europe and the United States are also likely to continue to make huge investments.

The expanding trade among countries has greatly strengthened economic cooperation. Due to their unique economic environment and market conditions, most have developed an export-oriented economy which is easily adaptable to changes on the international market. The past few years have also witnessed a substantial reduction of tariff between countries in the region. Japan has further opened up its market by increasing its import of industrial products manufactured by them. Last year, Japanese imports from South Korea registered a 45-percent increase compared with 1988. This fact alone shows that Japan is gradually becoming a big market for products exported by these countries. It is believed that Japan will continue to play an important role in accelerating the pace of economic cooperation. Since Japan has geared its industrial production to its domestic needs, ASEAN countries have announced their decision to allow more products manufactured by foreign enterprises to enter their markets and have increased their exports to Japan, especially exports of resold commodities.

With the prevalence of trade protectionism, the regionalization and conglomeration of the world economy, and the rapid growth of trade among these countries, one can foresee a further strengthening this year. This will in turn promote economic development of the entire region in the future.

Technological co-operation has become an important component part of economic cooperation. Japan is the leading technological country. The "Four Small Asian Dragons," Australia, New Zealand, and the Soviet Union also have their respective technological advantages. Technological cooperation accounts for about 30 percent of Japan's industrial cooperation with the region, and is predicted to rise in the years ahead.

### United States & Canada

#### Sino-U.S. Chemical Fiber Venture Established

OW1408192490 Beijing XINHUA Domestic Service  
in Chinese 1615 GMT 13 Aug 90

[Text] Nanjing, 13 Aug (XINHUA)—The Yizheng-Amocco Textile Company Limited, a joint venture of the Yizheng United Chemical Fiber Industrial Company of China and U.S. Amocco Company, was established in Nanjing today.

This is the first joint venture in China invested in by the U.S. Amocco Company.

The Yizheng United Chemical Fiber Industrial Company is the largest producer of chemical fibers in China; the Amocco Company is a multinational company with branch offices in more than 40 countries and regions dealing with oil, natural gas, and chemical plastics. The two companies have long maintained exchanges of experiences in business management and production know-how, as well as cooperative relations in economy and trade. Both sides have decided to establish this joint venture in the interest of developing and opening wider new fields for cooperation.

The Yizheng-Amocco Textile Company Limited boasts a total investment of more than \$18 million, with 50 percent of the investment coming from U.S. side. It will produce mainly products such as textiles used for industrial and agricultural purposes.

It was learned that the production plant will begin to be built in October this year and go into operation in 1992.

#### U.S. Experts Train Chinese Management Personnel

OW1408165590 Beijing XINHUA in English  
1415 GMT 14 Aug 90

[Text] Dalian, August 14 (XINHUA)—Chinese and American experts began a three-week training program in Dalian on August 12 to train management personnel for the Chinese Academy of Sciences (CAS).

The courses were jointly organized by CAS and Cronin and MacKenzie Associates with support from the United Nations Development Program.

Fourty-five trainees, including the presidents of the Shenyang Branch of CAS, are enrolled in the course which has classes in team building, research management and technology transfer.

The program aims to provide a good example of efficient management and technology transfer for Chinese institutes of science and technology, according to CAS officials.

#### Article Discusses U.S. Economic Situation

HK1508153390 Beijing RENMIN RIBAO in Chinese  
7 Aug 90 p 7

[“Economic Jottings” by Yao Haiquan (1202 3189 3123); “Why Look for a New Definition of Economic Recession?”]

[Text] A few years ago, some Western economists anticipated that the United States would be bogged down in an economic recession. However, no recession has appeared so far. At present, a series of problems exist in the U.S. economy. For example, wages have stopped increasing; real estate prices have declined; debts of business companies have increased; and it has become harder and harder to find a job. It seems that the

economic recession is coming. According to the traditional definition, an economic recession takes shape only after GNP declines for two consecutive quarters of a year and unemployment rises for two consecutive quarters. However, the figures published recently showed that the economic growth rate in the first quarter of 1990 in the United States was 1.9 percent, so the present economic condition still cannot be regarded as a recession.

According to the previous concept, the unemployment rate is a major indicator in showing whether there is an economic recession and is also a major indicator of people's living standards. In the past year, the employment rate throughout the United States increased by 1.8 percent. The present national unemployment rate is 5.5 percent and this is not a high figure when compared with historical records. However, this cannot reflect the actual living conditions of the employees. The opinion poll conducted by Xindelingge [6580 1795 7227 2706] revealed that nine out of 10 felt that their real income had decreased because such fixed expenditure items as insurance premiums and taxes increased at a rate much higher than the increase in their wages and their income from working overtime. Some experts said that although no jobless people now line up to receive relief food, the real income of workers is decreasing and the influence on government revenue and market purchasing power is not insignificant. Some people said that the current U.S. economic difficulty is "not a recession marked mainly by unemployment like those in the past, but one characterized by the decrease in workers' real income."

In the past, recessions were mostly caused by the over-supply of products. At present, many new characteristics have appeared in U.S. industrial development. For example, as the largest telecommunications enterprise in the United States, International Telephone & Telegraph recorded a decline in sales of telecommunications equipment but its telecommunications service remained brisk, so the company did not incur much losses. Boeing is the largest airplane manufacturer in the United States. Its production condition is good and the orders for civilian planes are assured into 1992. However, because military orders decreased the company had to lay off employees. This showed that when the enterprises increased their adaptability, more factors could affect their business operations. In addition, people also noted that different trades were developing according to different cycles. When the textile industry and other traditional industries began to rise again, business in the real estate, retail, air transport, and the financial service industries faced slack conditions. Thus, some people put forward a new viewpoint about "recession wave upon wave." This may partly explain the slow economic growth in the U.S. economy during difficult circumstances.

Viewed from the regional angle, the difficulties in the U.S. economy are more obvious. Not long ago, the U.S. press said that 16 states had already fallen into, or were on the brink of, recession. The states did not keep statistics about their gross social production so the changes in employment became the major barometer

reflecting the economic situation in each state. According to employment conditions, Michigan and the five New England states have obviously fallen into recession. The three major industries of computer manufacture, financial services, and military contracts in New England were all in a depressed condition. The construction industry has also experienced some setbacks. All this has brought about an economic recession to the whole region. The economic condition in the area around New York and in the several surrounding states is no better than in New England. Employment in Alabama and another five states increased by less than one percent. However, economic development in the different areas is uneven and the situation in two neighboring states may vary greatly. In the recessions before 1974-75, all states experienced the same setbacks. In the early 1980's, only California could prevent itself from being involved in the recession. At present, some states are undergoing a recession while some states remain prosperous.

People now show more concern about the future development of the U.S. economy. Some experts hold that the pattern of economic development is now quite different from the previous one, so future economic recessions will appear in a new form. It is expected that the U.S. economy this year will still maintain a growth rate of about two percent but this cannot conceal the present difficulties. The experts are now seeking some new words to describe the present difficult conditions and some people even found it necessary to find a new definition for economic recession.

## Soviet Union

### Growing Sino-Soviet Trade Discussed

OW1508124890 Beijing BEIJING REVIEW in English  
Issue No 32, 6-12 Aug, p 22

[Article by Yao Jianguo: "Sino-Soviet Trade on Steady Course"]

[Text] Sino-Soviet trade has been developing rapidly in recent years along with normalization in the relations between the two countries. Total trade volume reached 4.83 billion Swiss francs in 1989. This represents an increase of 18 percent over that in 1988, and is expected to grow by a big margin this year. Thus the total for the five years from 1986 to 1990 will amount to 22 billion Swiss francs, or double that for the decade of the 1970s, according to official sources from the Ministry of Foreign Economic Relations and Trade.

At present the Soviet Union, as China's trade partner, occupies a position only next to Hong Kong, Macao, Japan, the United States and the Federal Republic of Germany.

The two countries exchanged commodities in accordance with mutual needs and the capacity of both sides. Raw materials and primary products account for 50

percent of the exported goods of both sides, while the remainder are light industrial and textile products, machinery and electronic products.

According to statistics, during the period of 1981 to 1989, China imported from the Soviet Union about 7.8 million tons of rolled steel and pig iron, 17 million cubic metres of lumber and pulp wood, 3.7 million tons of urea, and nonferrous metals and precious metals worth 1.19 billion Swiss francs as well as 119,000 automobiles and 57 planes.

In return, China exported to the Soviet Union some 600,000 tons of meat and canned meat, 630,000 tons of fruit, 8,000 tons of filament, 970 million Swiss francs worth of nonferrous metals and minerals, and 3 billion Swiss francs worth of soybeans, corn and peanuts as well as a big volume of light industrial and textile products. For recent years, China's top quality machinery, hand tool, automobile storage batteries, bearings and spare parts for automobiles and railway freight cars also have entered Soviet markets.

The two countries' border trade and local trade have increased in recent years. In 1983, the border trade of Heilongjiang Province and the Inner Mongolia Autonomous Region only registered 22 million Swiss francs in value. However, up to 1988, the total combined trade volume to the USSR of the two provinces of Heilongjiang and Jilin and two autonomous regions of Xinjiang and Inner Mongolia had surpassed 800 million of Swiss francs in value.

In addition, China's Liaoning and Shandong provinces as well as some cities in inner region have established local economic trade relations with some Soviet cities. In 1989, their trade volume recorded 8 million Swiss francs in value.

Currently Sino-Soviet economic relations and trade are changing over from simple barter trade to diversified forms of exchange. Many popular international co-operative methods have been gradually adopted, such as joint ventures, contracted projects and labour co-operation. The first group of labour contingent has been sent from Heilongjiang Province to the Far East area of the Soviet Union to plant fruit trees and vegetables; while personnel from the Soviet Union are participating in cocoa production on Hainan Island. Up to the end of 1989, China and the Soviet Union have signed 95 labour-service contracts and 44 joint investment contracts totalling US\$240 million in value. Currently China's Ministry of Commerce and All-China Federation of Supply and Marketing Co-operatives have resumed exchange services in consumer goods, while China's Ministry of agriculture has undertaken cooperation in fishery and aquatic products industries, with their Soviet counterparts.

Among the economic and technological co-operative agreements signed by the two governments, there are 33 items which relate to building and transforming Chinese industry. Of these, 13 items for which the conditions are

inadequate will be changed or cancelled, while contracts on 12 other items have been signed, including two 500,000V transformer-transmission lines, the Harbin Flax Plant in Heilongjiang Province, the No. 3 Blast Furnace of the Wuhan Iron and Steel Co., Hubei Province, the No. 11 Blast Furnace of Anshan Steel and Iron Co., Liaoning Province, and the Luoyang Bearings Factory, Henan Province. Other contract items will be signed soon.

The two credit agreements signed by the two countries in 1988 include: the Soviet Union's credit to China in form of commodities for the construction of Usu-Alstav Pass Railway in Xinjiang Autonomous Region, and China's purchase of thermal power plant equipment from the Soviet Union using commercial credit. Both are now being smoothly implemented.

### Soviet Trade Exhibiton Planned for Beijing

OW1608081690 Beijing XINHUA in English  
0535 GMT 16 Aug 90

[Text] Moscow, August 15 (XINHUA)—A Soviet industrial and trade exhibition will be held in Beijing September 3-16, the second exhibition since 1986, Anatoliy Klimov, head of the Soviet international exhibition center, said here today.

Klimov told Chinese reporters that 45 enterprises and factories will attend the exhibition. Some new complexes and joint ventures will also attend the exhibition, he added.

The normalization of relations between the two countries and the Sino-Soviet summit in 1989, including the outline for long-term economic and technological cooperation signed this year, have established a firm foundation for the exhibition, he said.

Products of transportation, energy, electron, machine tool, radio and border trade will be displayed in the exhibition, he added.

Klimov said he hopes the exhibition will promote the development of bilateral economic and trade cooperation, and increase the number of contracts signed between the two countries.

### Northeast Asia

Party Delegation Received by Mongolian Leader  
OW1608010290 Beijing XINHUA Domestic Service  
in Chinese 0408 GMT 15 Aug 90

[By reporter Sun Chengping (1327 2110 1627)]

[Text] Ulaanbaatar, 14 Aug (XINHUA)—Oold, member of the presidium and secretary of the Secretariat of the Central Committee of the Mongolian People's Revolutionary Party, on the afternoon of 14 August met here with a cadre delegation of the Chinese Communist Party,

headed by Zhang Shengzuo, deputy head of the United Front Work Department of the CPC Central Committee.

The delegation arrived in Ulaanbaatar for a visit at the invitation of the Central Committee of the Mongolian People's Revolutionary Party.

At the meeting, Oold extended a welcome to the delegation, the first CPC cadre delegation to visit Mongolia since the resumption of relations between the Chinese and Mongolian parties. He said that the visit would help enhance mutual understanding and friendship between the two parties and expressed the hope that their exchanges would increase in the future.

Delegation leader Zhang Shengzuo praised Mongolia's achievements in socialist construction over the past 70 years and wished the Mongolian people still greater success in this work.

Present on the occasion were Yadamsuren, chief of the Organization Department of the Mongolian People's Revolutionary Party; and Zhang Delin, Chinese ambassador to Mongolia.

### Southeast Asia & Pacific

#### Li Peng Returns to Beijing From Thailand

OW1608061690 Beijing XINHUA in English  
0530 GMT 16 Aug 90

[Text] Beijing, August 16 (XINHUA)—Chinese Premier Li Peng arrived in Beijing this morning after completing his visits to Indonesia, Singapore, and Thailand.

Greeting Li Peng at the airport were Chinese Communist Party General Secretary Jiang Zemin, Vice Premiers Yao Yilin and Wu Xueqian, Vice Chairman of the Central Military Commission Liu Huaqing, Vice Chairman of the National People's Congress Standing Committee Xi Zhongxun, and Vice Chairman of the Chinese People's Political Consultative Conference National Committee Hong Xuezhi.

Prayut Chipibhop [name as received], charge d'affaires ad interim of the Thai Embassy in China, and Singapore's acting commercial representative to China were also present at the airport to meet Li Peng and his party.

Li Peng's wife Zhu Lin, Foreign Minister Qian Qichen and his wife Zhou Hanqiong, and Minister of Foreign Economic Relations and Trade Zheng Tuobin returned to Beijing by the same plane.

### Near East & South Asia

#### XINHUA Analysis on Iraq's Overtures to Iran

OW1508191990 Beijing XINHUA in English  
1826 GMT 15 Aug 90

[“News Analysis: Iraq Turns to Iran in Face of Mounting Sanctions (by Li Hongqi)”—XINHUA headline]

[Text] Tehran, August 15 (XINHUA)—Iraqi President Saddam Husayn today made a major step to mend Iraqi rift [as received] with Iran by announcing that his country would withdraw troops from Iran's territory, releasing tens of thousands of Iranian POWs and accepting the division of the disputed Shatt al-Arab Waterway.

This implies the removal of all obstacles in the way to peace with Iran as the three pending issues have bogged down the protracted peace talks between the two Gulf countries after an eight-year bloody conflict.

The back-off came as a surprise to many people in the Iranian capital because Iran's Majlis Speaker Mehdi Mahdavi-Karrubi had just disclosed on Tuesday that Tehran had rejected a recent request by Iraqi Foreign Minister Tariq 'Aziz for a visit to Iran.

The speaker conditioned the trip on Iraq's full implementation of U.N. Resolution 598, which halted the Gulf war in August 1988 and calls for Iraqi troops withdrawal to internationally recognized borders and exchange of prisoners of war.

Baghdad had linked the troops pullout and swap of POWs to the Shatt al-Arab Waterway issue in a bid to wring out a concession from Iran on its only outlet to the sea and prevent from giving up its claim over half of the river in line with the 1975 Algiers border accord.

Iraq unilaterally abolished the agreement in 1980, but Iran insists that the internationally-confirmed document remains in force.

The sudden Iraqi turnabout came amid mounting international pressure on Baghdad following its invasion of Kuwait on August 2.

The U.N.-endorsed international mandatory sanctions against Iraq and occupied Kuwait, reinforced by foreign military buildup in the Gulf region, have consequently cut off the two countries' oil flow and trade links with the outside world.

In addition, most of Iraq's former Arab allies, which backed its war efforts against Iran from 1980 to 1988, have now turned against it and are trying to isolate it politically.

Under such grave circumstances, Iraq's back-off was seen as an attempt to make a break in the eastern flank or to maintain its land links through its eastern neighbor.

Iran, which has joined the world in condemning Iraq for its aggression against Kuwait, expressed satisfaction over the Iraqi back-off, but observers here believed that Tehran may be cautious to consider Iraq's request for cooperation in offsetting the impact of sanctions on Iraq.

However, the change in Iraq's positions was not totally a surprise. The ground for a rapprochement between the two countries have been prepared since early May when

Saddam sent a message to his Iranian counterpart Hashemi-Rafsanjani, proposing a summit to settle their pending issues.

It was followed by a second message from Saddam and the first direct meeting between the foreign ministers of the two countries in Geneva early July.

Close coordination and cooperation between the two countries in boosting the oil price was another evidence of reconciliation.

But all these developments were overshadowed by the Iraqi invasion and annexation of Kuwait, fueling Iran's doubt about Iraq's sincerity for peace.

Iraq's latest compromise would ease the Iranian suspicion and boost the position of pragmatists led by President Rafsanjani who had come under fire by hardliners for their previous efforts to mend the rift with Iraq after the Iraqi invasion of Kuwait.

The Iraqi move would also remove the obstacle to the proposed visit by the Iraqi foreign minister, observers here predicted.

It was also possible that the two presidents meet in Baghdad or Tehran later this year to sign a new peace treaty, but confidence-building process may last for some time, probably until a settlement is found to the current Gulf crisis.

The local press had expressed fear that Iraq might launch another war against Iran after it tightens its foothold in Kuwait and becomes ever stronger militarily and economically.

There is no doubt that Iran would benefit from the development, but the question is how it could keep balance between Iran and other Arab and Islamic states under the present sensitive conditions.

#### Government To Give Jordan Interest-Free Loan

OW1508192590 Beijing XINHUA in English  
1838 GMT 15 Aug 90

[Text] Amman, August 15 (XINHUA)—China will give Jordan a non-interest loan totaling 50 million yuan (about 10.6 million U.S. dollars), which would be used in financing Jordanian projects.

According to the technical and economic cooperation agreement signed here today between the two countries, the loan covers a period of five years starting from September 1990 till August 1995.

The loan is to be paid through Jordanian commodities exported to China or through convertible currency.

The agreement was signed by Li Lanqing, Chinese vice minister of foreign economic relations and trade, and Safwan Tokan, Jordan's undersecretary of ministry of planning.

#### Indian Prime Minister on External Relations

OW1508153590 Beijing XINHUA in English  
1458 GMT 15 aug 90

[Text] New Delhi, August 15 (XINHUA)—Indian Prime Minister V.P. Singh said today in his independence day speech from the Red Fort in Delhi that constructive talks between his country and China were in progress.

While referring to his recent visit to the Soviet Union, the prime minister said the traditional friendship with the Soviet Union had not only been strengthened but that he had also discussed with President Mikhail Gorbachev on future plans.

He pointed out that India's relations with the United States have also improved.

Singh expressed his concern over the fate of Tamils in Sri Lanka. But, at the same time, he made it clear that his government would not allow the use of Indian soil by any militant organization to carry forward its cause.

In his speech Singh expressed serious concern over the situation in Kuwait and Iraq. He said his government supports neither violence nor use of armed forces anywhere in the world and stressed that he is opposed to any unilateral action.

"A solution should be found in which there would be no use of force or military," Singh remarked, adding that his government is in touch with different countries on this issue.

On India's relations with its other neighboring countries, he said relations with Bangladesh, Bhutan and Maldives had also improved, and that India had been able to find a solution to trade and transit imbroglio with Nepal.

On the sharing of waters with Bangladesh, the prime minister said talks were in progress and the teenbigha (land dispute) issue had already been resolved.

#### West Europe

##### Spain Provides Loan To Renovate Cement Plant

OW1508221990 Shanghai JIEFANG RIBAO in Chinese  
10 Aug 90 p 1

[By Song Yinxiang (1345 6892 4382) and Li Bingquan (2621 0393 3123)]

[Text] The Bank of China yesterday transferred to the Shanghai Cement Plant the \$15 million loan which the Spanish Government granted to Shanghai. The plant will use the money to upgrade its production technology so that it can produce 2,000 metric tons of cement grog [shui ni shu liao 3055 3136 3578 2436] daily. This is the first loan from the Spanish Government since 1989.

The Shanghai Cement Plant will invest nearly 200 million yuan in upgrading its technology. The \$15 million loan from the Spanish Government will primarily be

used for purchasing advanced technologies and equipment from Spain and Denmark.

When the renovation project is completed, the plant's annual output will increase from 700,000 metric tons to 1.25 million metric tons, reaching the advanced world level of the 1980's. There will also be changes in the plant's product mix, but its production will primarily be high-grade ordinary cement.

After the decomposition furnace for the preheater outside the kiln—a new technology purchased from Denmark—has been installed, the plant will conserve more than 80,000 metric tons of coal a year, and the hourly discharge of dust will decrease from 1,197 kg per hour to 101 kg. The 91.5 percent drop will substantially reduce the air pollution in urban areas.

The project has been listed by the State Planning Commission as one of the first major technical renovation projects to be accomplished in 1990.

### Latin America & Caribbean

#### Sino-Argentine Scientific, Technical Meeting Ends

OW1508192190 Beijing XINHUA in English  
1815 GMT 15 Aug 90

[Text] Buenos Aires, August 15 (XINHUA)—The signing of a final document Tuesday ended the fourth

meeting of the mixed Sino-Argentine Scientific and Technical Cooperation Commission, which began here on August 13.

According to the final document, the Governments of China and Argentina have "agreed to emphasize their interest in strengthening the different aspects of bilateral scientific and technical cooperation as a means to secure their technological development."

The document was signed by Jiang Minkuan, head of the Chinese delegation and executive vice president of China's State Commission of Science and Technology, and Ambassador Carlos Ortiz de Rozas, head of the Argentine delegation and undersecretary of foreign relations.

During the two-day meeting, participants studied, among other things, the progress and degree of completion of the joint scientific and technical projects that were borne out of the third meeting held in Buenos Aires in 1986.

The two sides also said they wanted to diversify scientific and technical interchanges between their various institutions and stressed the importance of the specific accords that have been signed to this end.

Both delegations submitted different projects of interchange and cooperation for the 1990-91 period for review and definition. According to sources within the commission, these projects include such diverse areas as agriculture, biochemistry and pharmaceuticals, among others.

## Political &amp; Social

**Li Peng Briefs Yunan on Southeast Asia Visit**

OW1508174990 Beijing XINHUA in English  
1527 GMT 15 Aug 90

[Text] Kunming, August 15 (XINHUA)—Premier Li Peng here today cordially received leading members of the Yunnan Provincial Committee of the Communist Party of China and the Yunnan provincial government as well as representatives of model workers, combat heroes, intellectuals and minority peoples.

Premier Li gave a briefing on his recent visit to Indonesia, Singapore and Thailand. He said that through the visit, relations between China and the three countries and all the members of ASEAN (the Association of Southeast Asian Nations) have been further strengthened. He added that the visit was satisfactory and successful.

Premier Li noted that Yunnan Province is located at the southwest border area of the motherland. He pointed out that through over a year of efforts to improve the economic environment, rectify the economic order and deepen the reform, the political situation and the economy in the province are now stable and the situation is good. Li encouraged everybody to work together to make Yunnan even more beautiful and prosperous. He also expressed hope that Yunnan Province will make contributions to the establishment of friendly relations between China and neighboring countries.

**Li Peng Interviewed on Economy**

PY1408212790 Rio de Janeiro O GLOBO in Portuguese  
12 Aug 90 p 62

[Exclusive' interview with PRC Premier Li Peng by O GLOBO journalist Carlos Tavares de Oliveira; place and date not given]

[Text] [O GLOBO] To what extent has the government's economic plan deteriorated as a result of the decline of foreign investments in China following the political incident that took place last year in Beijing? Have foreign investments recovered?

[Li Peng] Foreign investment in China declined for some time following the incident that took place on 4 June 1989. Meanwhile, as China's political and social situation becomes stable and the country's economy grows, foreign investment recovers. The interested bodies in China are studying and drawing up favorable policies to encourage foreign investment in energy, communications, and basic raw materials, and in other priority areas. China also encourages foreign businessmen to establish companies with foreign capital alone, or as companies with Chinese-foreign capital that have advanced technology and manufacture products for export.

[O GLOBO] In general, how was China's economic situation during the first half of 1990? Has the serious inflation rate been controlled?

[Li Peng] Recently, many foreign friends have demonstrated their concern over China's economic situation. As my country's premier, I want to take this opportunity to tell the friendly Brazilian nation that China's economic situation during the first half of 1990 was good, the most difficult moments have already passed, inflation has been curbed, and the national economy as a whole is gradually returning to an honorable state. This general trend is obvious. This year, we will continue to apply the reorganization and correction guidelines in the economic field and increase the reform. In general, we will continue to apply an austerity policy in the financial and monetary fields. The degree of austerity has been adjusted. Practice over the past few months has demonstrated that this guideline is correct; the measures are appropriate and the results are notable. All this is reflected by the stable growth of industrial production. Industrial production has been growing every month since March and the industrial production growth rate reached 5.9 percent in June. Investment in capital goods has begun to recover and the investment structure has continued to improve. Over the January-May 1990 period, investment in fixed assets of entities owned by the people increased by 1.7 percent as compared to that over the same period last year. Investment in production projects has increased by 3.1 percent. The rural economy grew in a stable way. We had a good harvest of summer grain crops, the yield surpassed that of last year. This was the best harvest in history. The development of the most important projects is progressing satisfactorily and the expansion and operation of some great power projects and raw material projects have enhanced economic development. Market (wholesale) sales have improved and retail sales of merchandise are gradually recovering.

PRC foreign trade is experiencing satisfactory development. Between January and June, the level of exports increased by 15.4 percent compared with the same period last year. The total amount of national reserves available increased by more than \$4 billion in comparison with levels at the start of this year. As the economic situation improved during the first half of 1990, inflation was curbed and prices tended to stabilize. In 1988, the PRC experienced relatively serious inflation and wholesale prices increased by 18.5 percent. After one year of streamlining and rectifying in the economic sector, last year high wholesale prices decreased to 17.8 percent [as published]. During the first five months of 1990, wholesale prices fell to 3.5 percent [as published]. Overall, inflation has been curbed in the PRC. We have overcome the most difficult period and we are already experiencing a satisfactory development trend in all economic sectors. Some economic experts estimate that if industry maintains its current development trend, and if no important natural disasters affect the agriculture sector, industrial and agricultural production may increase by six percent and four percent, respectively. At

the same time, prices will increase by less than 10 percent this year, a deceleration from the 17.8 percent increase of prices in 1989. I believe this is an objective estimate. Although the economy is currently performing well as a whole, not all its problems have been resolved. We still face some difficulties. We have not yet found essential solutions to factors that cause inflation and to some old problems, such as the irrational industrial structure and the deficiencies in the economic system.

Old problems added to the new contradictions that came up in the process of streamlining and rectifying the economic area, thus making the resolution of problems more difficult. We then were forced to exert greater effort into streamlining and rectifying the economic area. In the future, as we continue to exert and improve control over the total volume, we will also place emphasis on the following main points: First, the process of streamlining and rectifying the economic area will be directed toward readjusting the structures and increasing profitability; second, we will try to integrate the streamlining and the rectifying in the economic area as the reform progresses so that the opening to the outside world can be broadened, the reform in the area of price, financial, and monetary matters can be carried further, and thus allowing the state economic relations with localities, enterprises, and individuals can be correctly administered so as to promote the continuous, stable, and harmonious development of the Chinese economy. For some time now some experts abroad have predicted that our inflation control effort would bring about a stagnation and a retrogression within our economy, causing greater difficulties. However, not only those predictions did not materialize but the economy showed a good development trend. I am therefore optimistic about the Chinese economic situation and its prospects. In my view, the political and economic situation of China is stable, and its society is calm and united. Brazil is the largest emerging industrial country in South America, and China is the largest developing country in Asia. In recent years, the two countries have steadily increased their economic relations and both have promoted their economic development. I believe that the development trend now exhibited by the Chinese economy will favor greater cooperation between the two countries, with their subsequent economic development.

[O GLOBO] It is said that foreign investments in the PRC are estimated at \$30 billion. Have investments in China's development been interrupted during the new economic adjustment period?

[Li Peng] During the current economic adjustment period we adopted some measures for streamlining and rectifying the economic area so that our economy can develop in a sustained, solid, stable, and harmonious way. Speaking of basics, the way we go about streamlining, rectifying, and adjustment will not affect the interests of foreign investors; rather, the improvement of the macroeconomic climate and the economic order will provide more security for foreign investments in China and will favor their administration and management,

thus ensuring benefits. We will not stop foreign investments in China's development. In fact, with the continuous improvement of the climate for investment in our country, a greater number of foreign businessmen have invested in China. In 1989 new projects for investments totaling \$5,779,000,000 were approved; foreign resources of \$5.6 billion were contracted, some 5.7 percent more than last year. The real inflow of funds totalled \$3.39 billion, an increase of 6.2 percent.

[O GLOBO] Is it true that after the historical meeting with British Prime Minister Margaret Thatcher, Deng Xiaoping stated that in 1997, when Hong Kong is returned to the PRC, its capitalist status will not change, that it will remain unchanged for at least another 50 years?

[Li Peng] In December 1984, the PRC and Great Britain officially signed the "Joint Declaration on the Hong Kong Issue." Upon resuming its sovereignty over Hong Kong on 1 July 1997, the PRC Government will implement a "one country, two systems" policy regarding this island. As you know, the idea of "one country, two systems" is an essentially PRC policy, prepared by PRC leaders after thorough analysis and taking into account the historical and current circumstances. Under this policy, which seeks the reunification of the fatherland, the PRC Government outlined a number of principles and policies on Hong Kong which are already included in that joint declaration and in the annexes.

Those principles and policies are as follows: The PRC Government restores its sovereignty over Hong Kong in 1997. In order to maintain the unity of the fatherland, territorial integrity, prosperity and stability of Hong Kong, and taking into consideration the history and the situation of Hong Kong, the PRC Government—on restoring its sovereignty and in keeping with Article 31 of the Constitution—will establish a special Hong Kong administrative zone. This zone will enjoy considerable autonomy in several areas, with the exception of national defense issues and diplomatic matters, which shall fall under the control of the central government. No socialist policies or systems will be enforced in the administrative zone. The original way of life and the capitalist socio-economic system will remain untouched and no major changes shall be introduced into the laws. The zone will preserve Hong Kong's position as an international financial center and duty-free port, and the economic interest of Great Britain and of other countries in Hong Kong will be preserved. At the "joint declaration, we announced that the above-mentioned policies and principles will remain unchanged for 50 years [no closing quotation marks as published]. In April of this year, the PRC People's National Congress approved and promulgated the Fundamental Law of the Special Hong Kong Administrative Zone. The above principles and policies have therefore became laws. The economic progress and the social stability of Hong Kong will thus be legally guaranteed for a long period of time.

[O GLOBO] What is your opinion of Brazilian-PRC trade?

[Li Peng] Bilateral commercial ties have been satisfactory in the past few years, and the level of trade has been quite high. We are satisfied with the development that bilateral commercial ties have achieved in the past few years. Concerning the deficit that the PRC has registered in its trade with Brazil, we will not reduce our imports merely to reach a balance. On the contrary, we will make an effort to increase our exports to Brazil. We would also like the respective Brazilian organizations to facilitate the access of PRC products to the Brazilian market. The PRC and Brazil are developing countries. Cooperation with Third World countries is an important part of the PRC's foreign policy. I believe that in addition to their normal trade, our two countries should also develop multiple economic and technological cooperation and exchange ties. We are convinced that through joint efforts, Brazilian-PRC economic and commercial relations can reach a successful and satisfactory level.

#### Article on Liberalization, Corruption Published

HK1608042790 Beijing GUANGMING RIBAO  
in Chinese 30 Jul 90 p 3

[Article by Liu Cuiping (0491 5050 5493): "On the Identity Between Opposing Bourgeois Liberalization and Anti-Corruption"]

[Text] Fundamentally speaking, corruption is a common phenomenon in a society based on private ownership. The socialist system is a new social system based on public ownership. It is, in essence, incompatible with any phenomenon of corruption. The spreading of corruption over the past few years is unrelated to the socialist system; it was a result of the spread of bourgeois liberalization. Bourgeois liberalization is a social and ideological trend of the bourgeoisie. It enters the political, economic, ideological, and cultural fields of socialism through various channels and in various ways. It has thus corroded the organism of our party and society and brought about much harm. In the political field, bourgeois liberalization has shaken and weakened the political conviction of some people and destroyed their spiritual prop. Those who have lost their lofty ideals and convictions can easily do something wrong and violate the principles of socialism and the party. They can easily fall into the mire of corruption or just take a liberal attitude toward corruption, allowing it to develop unchecked. In the economic field, the core of the liberalization trend is to negate socialist public ownership and planned economy. Public ownership is the foundation of the socialist economic system. Abolishing public ownership means undermining the socialist system. The socialist economy is a planned commodity economy. If we do not exercise control over the commodity economy and only practice the market economy, there will inevitably appear the phenomena of polarization and disorder. However, a small number of leaders who uphold and support liberalization have commercialized and

taken advantage of their power and become involved in graft. By encouraging illegal operations and speculation and supporting those officials and individuals engaging in speculation and profiteering, they have reaped unfair gains. Then they will proceed to the next step: To undermine the socialist economy by practicing the capitalist market economy under the banner of socialism. In the ideological and cultural field, the representatives of the ideological trend of bourgeois liberalization have spared no effort to attack socialist democracy and advocate bourgeois liberty. They oppose socialist collectivism and advocate the solipsistic world outlook and out-and-out egoist and individualist values. As a result, the concept of national and collective interests of some people has been weakened, and their purpose of serving the people wholeheartedly has been forgotten. Selfish desire has burgeoned, and the trend of pursuing material benefits has gained ground. To vie with one another for more benefits has become a prevailing practice. Some have even taken the following remarks as their mottos: "Seeking benefits everywhere is our ideal" and "Earning as much money as possible spells a bright future."

The phenomenon of corruption has been spreading increasingly more seriously over the past few years. This has certainly something to do with the theories advocated by the advocates and supporters of bourgeois liberalization, who regard corruption as an unavoidable and unharful phenomenon. They say according to the experiences of various countries, corruption and clashes in society are unavoidable phenomena when a country's per capita national income is lower than \$800. The only way to eliminate corruption is to fully implement a market economy. This viewpoint, which attributes corruption to the level of economic development disregarding the decisive role of private ownership, is entirely wrong. In the developed capitalist countries, where the per capita national income has long since been higher than \$800 and where the market economy has been practiced to the full, the phenomena of corruption, bribery, and speculation and profiteering can be seen everywhere. The advocates and supporters of bourgeois liberalization even advocated that corruption is also a good thing, holding that "under the current situation, corruption plays a role as a lubricating oil for economic development."

From the above analysis we can clearly see the internal relations between bourgeois liberalization and corruption. But does this mean that we can ignore the influence and harmfulness of the vestiges of the feudalist ideology? Of course not. Feudalism has not yet withdrawn from the people's thinking because the feudal system has been overthrown. On the contrary, the shadow of feudalism still appears now and then under the socialist system. It is often found to be in a changed form on the body of our party and our socialist system. Of course, since reform and opening up to the outside world, the influence of vestiges of the feudalist ideology has been weakened in certain fields. However, we still cannot underestimate its harmfulness.

For example, some leading cadres have turned the right the people have granted to them into a privilege for seeking ease and comfort and private gains and used this privilege to carry out illegal commercial activities; some have used favoritism to appoint people to set up their own factions; and some, who are extremely conceited, have blamed others. All this have more or less the color of feudalism. In other words, all expressions of the phenomenon of corruption have, in varying degrees, something to do with the corrosive and poisonous influence of the feudalist vestiges.

The spreading of bourgeois liberalization resulted in the spreading of corruption. Conversely, the spread of corruption aggravated the spread of bourgeois liberalization. This can be proved by the following facts: 1) Corruption provided the advocates of bourgeois liberalization with materials for attacking the party and socialism. The phenomena of corruption, especially those involving party members and cadres, such as the practice of taking advantage of power to seek private interests, officials engaging in speculation and profiteering, and graft and bribery, have not only damaged the party's prestige, vilified the image of the party, and seriously sabotaged the relationship between the party and the masses, but also have undermined and vilified socialism in the economic and political fields. Those people who attempted to negate party leadership and overthrow socialism exaggerated these phenomena in order to attain their vicious purpose. 2) Corruption encouraged the spread of bourgeois liberalization. Through the practice over the past few years we can see that in those places where corruption had seriously spread, there was greater resistance against the four cardinal principles and greater esteem for bourgeois liberalization; and the people who were more deeply involved in corruption had a greater resistance to the four cardinal principles and greater esteem for bourgeois liberalization. Also, as a small number of corrupt elements had grabbed economic power in some units, economic conditions were created for the spreading of bourgeois liberalization. On the other hand, the new exploiters, who had suddenly become rich through corruption, would certainly seek theoretical agents and political representatives for themselves. It was quite natural that the advocates of bourgeois liberalization then became such agents and representatives. Therefore, corruption can be regarded as an ally of liberalization, and the latter represents the interests of the corrupt elements. From this we can also see that the theories advocated by some people: "Corruption is the opposite of bourgeois liberalization" and "Bourgeois liberalization is aimed at opposing corruption," is just deceptive talk. Facts prove that the spread of bourgeois liberalization and the seriousness of the phenomenon of corruption are directly related.

In sum, in the course of breeding, there is a causal relationship between bourgeois liberalization and corruption, but in essence, both are the same. They are opposite to the four cardinal principles and form a great

danger to our socialist construction. It is a consistent position of our party to adhere to the four cardinal principles, oppose bourgeois liberalization, and punish corruption. During the course of reform and opening up, only by taking a clear-cut position in opposing bourgeois liberalization and resisting the corrosive influence of all kinds of reactionary ideas in the political, economic, and ideological fields can we effectively curb and eliminate corruption. By punishing and eliminating corruption, bourgeois liberalization will lose its ally in attacking the party and socialism; and the social basis for its existence and spreading in our country will be weakened. Therefore, fundamentally speaking, there is no difference between opposing bourgeois liberalization and opposing corruption. While opposing corruption, we must also oppose bourgeois liberalization, and while carrying out struggles against bourgeois liberalization, we must also oppose the phenomenon of corruption.

#### **Senior Official Disciplined for Lavish Banquets**

*OW1608120090 Beijing XINHUA in English  
1132 GMT 16 Aug 90*

[Text] Beijing, August 16 (XINHUA)—A senior government official has been given a major demerit for squandering money on lavish banquets.

Lei Zuhua, a deputy governor of the Bank of China, attended banquets for him costing more than 7,490 yuan in some 20 days between December last year and January this year, sources at the Ministry of Supervision said here today.

The ministry has also suggested that the Guangdong provincial government discipline Li Xiongguang, mayor of the southern province's Jiangmen City. Li is reported to have held a banquet costing more than 1,400 yuan for Lei.

Though the central government has repeatedly called for the construction of clean and honest governments and banned officials from squandering public funds, an official from the Supervision Ministry said, some officials, including a few leading officials, are still spending public money on lavish banquets.

Officials who violate the government's call for honesty will be punished severely, the official said.

#### **Deng Xiaoping Less Stringent on Four Adherences**

*HK1608063990 Hong Kong CHING PAO in Chinese  
No 157, 10 Aug 90 pp 26-27*

[Article by Ming Ping (2494 5493): "Deng Xiaoping Loosens Four Adherences"]

[Text] In the middle 10 days of June, Jiang Zemin, general secretary of the CPC Central Committee; and Li Ruihuan, standing committee member of the CPC Central Committee, spoke at a national propaganda work conference of the principal responsible persons of all provinces, municipalities, and autonomous regions.

### Opposition to Individuals Is Not Opposition to the Party

While dwelling on the issue of whether a certain person can be opposed to or not, Jiang Zemin said that at present, it is necessary to create an atmosphere and conditions not only inside the party but also outside the party to ensure there is democracy and individuals can state their views at any time. Regarding this question, it is essential to solve it, to make law, to establish a system, and, more importantly, to implement them laws.... In the beginning of the great Cultural Revolution, when Comrade Liu Shaoqi was in a very difficult position, he still adhered to the historical principle of the party that opposition to the chairman of the party is opposition to an individual and so long as one does not go in for intrigues and sabotage, one cannot be called a counter-revolutionary. Comrade Xiaoping recently reiterated that it is not permitted inside or outside the party that those who are opposed to a certain individual or dissent from and even oppose a resolution of the party are pushed out or are labeled anti-party and anti-socialist and these practices are not policies of the Communist Party. Comrade Xiaoping also said: "When the Communist Party errs or does nothing good for the people, the people can curse at you because you are the ruling party and lead the whole party and the people of the whole country on behalf of the people. Why can the people not curse at you? When they curse at you, you may be aware and correct your mistakes. I, therefore, advised the comrades not to be afraid of curses."

### Concentration on Opposition to Bureaucratism and Corruption

In dealing with the people's views on the CPC, Jiang Zemin said: At present, the people have concentrated their views on the leading cadres, namely, resolute opposition to cadres' bureaucracy and corruption. We must adopt measures to solve these two problems in a planned way and carry out supervision. We present at this conference must take the lead in solving these two problems and carrying out supervision. If the CPC Central Committee and the party committees of all provinces, municipalities, autonomous regions, prefectures, and districts can solve these two problems effectively and excel in building an honest and clean government, the people will support us and excel in reform, opening up, and the four modernizations with one heart and one mind. Jiang also emphasized the "realistic approach" in all aspects of current work must be stressed.

### Deng Says He Will Be Contented With Comments on Him on a Fifty-Fifty Basis

In his speech, Li Ruihuan stated the CPC policy toward cadres. He said the central authorities will not dismiss and replace at will a certain cadre on whom views are concentrated or who have uttered incorrect words or act wrongfully. If it is done this way, no one will dare to

shoulder the burden. If people do this, they are irresponsible to the party's cause and themselves. While Comrade Xiaoping was recently talking about himself at a meeting on party's activities, he said that it would not be bad if the comments would be made on him on a fifty-fifty basis in the future. What Comrade Xiaoping said embodies the quality of a genuine Communist Party member. Achievements are regarded as the result of the collective leadership of the central authorities while one undertakes responsibility for the fault and mistake oneself and I think that such quality is lacking in the party.

### "Fear and Worry" in Embarking on Press Work

After that, Li Ruihuan said those who embark on press and propaganda work have the idea of "fear and worry" fearing that policies will frequently undergo big or small changes, worrying that once they are careless, they may offend officials or influential people. Li said: It is an expression of unhealthy party style itself. Li emphasized that newspapers, journals, and propaganda departments must regard reporting and propagating the positive aspect as the main work and the positive aspect must make up 80 percent of what are reported and propagated. Li said: The press work must serve reform, opening up, four modernizations, and the accomplishment of the great cause of the reunification of our motherland and not deviate from this principle and policy. In dealing with several influential newspapers and journals in Hong Kong and Macao that represent the stand of the CPC, Li said: Now that they represent the stand of the Chinese Government, they must undoubtedly propagate and express their own views. The Communist Party members have never concealed their own viewpoints. I do not believe and have not seen that any one official newspaper or journal publishes a report that is opposed to its own government and this is the same all over the world.

### Four Adherences Can Be Approached

Li Ruihuan also disclosed: Comrade Xiaoping said recently that people in academic circles are permitted to not approve of "four adherences" and they can have reservations in respect to "four adherences" and can approach them. People will feel bad and disgusted if they find it hard to accept them but you want them to accept. Practice proves that the CPC defeated the large forces of the 8 million Kuomintang soldiers and built New China. Therefore, the people must not be forced to accept. It is said that when some provinces and municipalities conveyed information to cadres at the provincial and municipal levels, this short passage of Xiaoping's speech was not transmitted to them.

### Achievements Reportedly Show Socialist Superiority

HK1608073990 Beijing RENMIN RIBAO in Chinese  
7 Aug 90 p 4

[Article by Wang Xizhang (3769 6932 3864), originally carried in 5 Aug JIEFANGJUN BAO: "We Will Be in a Bad Way if We Do Not Talk About Our Achievements"]

[Text] In recent years, this saying has become very popular: "If we don't speak about our achievements, they won't run away. If we don't talk about our problems, we will be in a bad way." As a proverb for disciplining oneself against claiming credit and becoming arrogant, and for reminding oneself of shortcomings and deficiencies, it has positive significance. However, if we consider it a principle for observing the situation and determining what is right and what is wrong, it is worthy of our further deliberation.

Since the reform and opening up, our party has furthered restored the tradition of seeking truth from facts, dared to disclose its own dark side to the world, exposed some problems such as bureaucracy, decadent phenomena, and some mistakes in our economic work. This is a demonstration of courage and strength, and is a "merciless dissection of oneself," as Lu Xun once put it, in order to remove dirt and decadence, restore and stimulate vitality and vigor, and enhance the party's prestige and combat strength. Nevertheless, some people took advantage of this opportunity to exaggerate the problems and mistakes, neglect our positive achievements, and say that the party was good for nothing. In these circumstances, it appears that we had not done enough to propagate our positive achievements, and thus some negative effects were produced: Negative things have appeared to be more and more concrete, while the light side is becoming more obscure and blurred. Therefore, the shadow appears within some people who say that "the Communist Party and socialism do not work." The fact that a few people waver in their political faith cannot be said to have nothing to do with our mentioning problems a little too much and our achievements too little.

The great achievements scored by the Chinese people in socialist construction under the leadership of the CPC since the founding of the PRC have won world recognition. Over the past 40 years, the output of our steel has increased by 63 times, crude coal by 15 times, generated energy by 90 times, and crude oil by 1,000 times. Some people have made this symbolic comparison: The annual production in 1949 can be attained in only six days now. In the case of iron and steel, how many good dreams the Chinese people have had! Last year, we really succeeded in producing 60 million metric tons. One could never have dared imagine this world-shocking figure in the pre-liberation period, nor even in the "Great Leap Forward" or "Satellite-Launching" periods. Exhausting all our strength in "vigorously producing iron and steel," we could only produce 10.7 million metric tons in 1958. Now the question is, how deep such a heartening figure and achievement has been impressed upon people's hearts? If one asks several people at random about last year's steel, coal, and grain production, they probably will not be able to give the answer: 6,000 metric tones, 1.04 billion metric tons, and 400 million metric tons. If we do not tell the people about this good evidence for the superiority of socialism in such a way that they fully and thoroughly understand, they will not believe that the

CPC is good and socialism is good. As one leading cadre once said: "The CPC is the guide. If it is a good, the masses will follow it. If it always says it has led them the wrong way, how can they follow it?" As far as I can recall, in the early 1950-60 period, we were relatively successful in our propagation of positive achievements, such as the victory in the war to resist U.S. aggression and aid Korea, the completion of socialist transformation, the 10 construction projects in Beijing, and the success in developing the atomic bomb, which even women and children know and highly praise. Moreover, exemplary personalities such as Meng Tai, the "Iron Man," Lei Feng, Jiao Yulu, were well known to all and their character was deep in their hearts. Whenever we recall those days, we cannot help thumbing up and say our praise. Comrade Xiaoping said: "The greatest mistake in recent years lies in our education, and mentioning our achievements too little is one aspect."

By saying that we mention our achievements, we never imply that we embellish ourselves or have a fondness for the grandiose, but we want the people to be stimulated and have a faith, and then resolutely follow the party and act in line with socialism. In fact, in any society the ruling class always propagates its "merits and virtues" in order to strengthen its ruling position.

As one can see, no capitalist country has stopped its propaganda machines for a minute, in praising itself for the so-called "freedom and democracy," "economic prosperity," despite the spread of various hideous phenomena and the continual spread of economic and political crises. Although many a feudal emperors in China were muddleheaded, depraved, corrupt, and impotent, none of them forgot to praise his own merits and virtues or to have his monument erected and biography gloriously written. They told lies and covered their faces with gold. What we are doing today is a great undertaking unrivaled by our predecessors, and the achievements over the past 40 years are incomparable to those in both Chinese and world history. In line with the principle of seeking truth from facts, there is no reason why we should not praise these great achievements in a loud voice, and why we should not absorb the driving force for progress from our praising.

By stressing achievements, we do not mean that we will not mention problems nor that we will exaggerate our achievements. Nevertheless, compared with our problems and mistakes, our achievements are, after all, the mainstream. During the "Cultural Revolution," our society was in turmoil and our economy deteriorated. Nonetheless, people never verbally acknowledged this, but only hung on to the phrases "as beautifully as the orioles sing and the swallows dart," and the "situation was not only good but very good." People have hated, and been disgusted by this attitude for a long time. Today, we only say that something is true when it is true or untrue when it is untrue. We not only talk of the dark side but also the light side so that the people will know the actual national conditions in all aspects, objectively,

and as they are. If we neglect to mention our achievements at a time when the hostile forces at home and abroad are stirring up trouble and spreading deceptive rumors, our achievements will "go unspread," and we will probably end up in "a bad way." If people had the false impression that society as a whole is "all dark," how would our party have any unifying force and centripetal force? If people slacken and waver in their faith, political turmoil will probably occur incessantly. Then how will there be stability, solidarity, or modernization?

Therefore, we must not only mention our achievements but will do so with good reasons and in a loud voice so that people across the country will be inspired and encouraged to forge into the bright future confidently and unswervingly.

#### Article Views Selling of Heroes 'Industry'

*HK1508030190 Hong Kong SOUTH CHINA MORNING POST in English 15 Aug 90 p 15*

[By Willy Wo-Lap Lam]

[Text] "There are no heroes," student leader Chai Ling said moments after she had slipped out of China last March. "We live in an age without heroes."

What the former "commander-in-chief" of Tiananmen Square meant was that with the failure of the democracy movement last spring—and with China having fallen way behind Eastern Europe and the USSR in reform—Chinese as a whole ought to treat themselves to a collective self-flagellation, not self-glorification.

All over China, however, the creation, packaging and selling of heroes has become a fast-growing industry.

At a time of sagging morale, the Chinese Communist Party (CCP) is at pains to show the world and its people that the Chinese capacity for exemplary acts has been undiminished by the Tiananmen Square crackdown.

The CCP, of course, has always equated heroism with "unquestioningly sacrificing oneself for the party, socialism and the country"—in that order.

After the June 4 tragedy, members of the Martial Law Command (MLC) have been set up as latter-day saints for their role in "defending the socialist republic against peaceful-evolution (plot of the imperialist)."

Honours—both spiritual and material—have been heaped upon the People's Liberation Army (PLA) paragons. Remember those unforgettable gold watches bestowed on the model soldiers, on the face of which were inscribed the words "Heroes Who Quashed the Counter-Revolutionary Rebellion"?

Just last week-end, party General Secretary Jiang Zemin catapulted to the hall of fame another platoon of "outstanding military officers" who had distinguished themselves in hardship postings along the frontier and the coast.

Army role models, however, are not very convincing propaganda vehicles in view of the low esteem with which the PLA is held by the populace and by international opinion.

Hence the frenzy with which the Chinese media are letting on that people from all walks of life are "smashing their brains and shedding blood" for the socialist nirvana.

Last Thursday, the All-China Federation of Youths and 10 news organisations in the capital completed the first-ever selection of the Ten Most Outstanding Youths of China.

Go master Nie Weiping and nine others were chosen from ballots cast by 150 million newspaper readers. They were lauded for "major contributions to the country and for their influence at home and abroad."

Also last week, politburo member Li Ruihuan heaped praise on 17 households who were picked as "good and beautiful families" for their members' contributions to the socialist cause.

Shanghai authorities gave out gold medals to more than 1,000 adults in recognition of their efforts in caring for old and sick partners.

And last weekend in Beijing, 141 citizens were cited by Politburo member Qiao Shi for their boldness in nabbing thugs and helping to fight crime.

Yet the brave souls who are accorded the most exposure are the supermen and women who give their all to the Asian Games, the one event that the CCP hopes will wash away the disgrace of Tiananmen Square.

The media's efforts to lionise the new corps of "the most lovely men and women in China" reached an apogee in the impassioned portrayals of the demi-gods who built up China's first test centre for stimulants, which will be used to catch drug-using athletes during the Asiad.

According to a NEW CHINA NEWS AGENCY dispatch last week, the centre was completed in three years, as compared to the eight to 10 years usually required in the West.

While South Korea lavished more than US \$2 million on importing equipment for a comparable facility for the Seoul Olympics, the Chinese used mostly local material, saving foreign exchange in excess of U.S.\$1 million.

Senior scientists including Zhou Tonghui and Li Yawei turned down lucrative offers from American colleges in order to work for the motherland.

The researchers, many of them professors and doctoral candidates, doubled as janitors, coolies and garbage collectors.

Practically all volunteered as guinea pigs to gauge the effects of drugs and chemicals. Their heart-stopping stories of total self-abnegation have evoked tears—or

utter disbelief—depending on the readers' previous experience with CCP media handouts.

Take, for example, the case of Ye Li, a newly married researcher. In order to test out a certain brand of contraceptive, she took heavy dosages of the pill over a long period.

The result: her physiological balance has been upset. And her friends fear that Ms Ye, still childless, might have her chances of normal pregnancy aborted.

And consider the heroics of Zhou Zihua. Since his health was not good, the scientist asked his son to "experiment" with four different types of medicines.

Or Ms Cui Jianfang, who had heart problems. Her husband sampled the chemicals for her.

Mr Zhou Yi has forgotten how many types of medicines and drugs has toyed with. "I volunteer to consume more chemicals than the others because my urine has less impurities," he said.

What is behind such herculean feats? "But I am a member of the Communist Party!" protested scientist Fang Hongju, who was once hospitalised after a bout with a particularly potent drug.

Beyond doubt, the main purpose of these morality tales is to whip up the people's patriotism and love for socialism.

The title of a PEOPLE's DAILY article on another batch of Asian Games nonpareils says it all: "The Chinese Moon, Too, Is Round".

The party paper was alluding to the fact that, not too long ago, Chinese allegedly believed the moon in the West was rounder than that in China.

While it is difficult to verify whether the hagiographic pieces served up by the press can pass Deng Xiaoping's "seek-truth-from-facts" touchstone, many fear they may backfire.

The sheer cynicism with which people are greeting the larger-than-life exploits might scuttle whatever education value they are intended to yield.

After all, truth can be devastating. For every one of the proletariat saints in the test centre for stimulants, there are hundreds of ordinary Chinese intellectuals who would lose a limb for the chance of going abroad.

Of course, there are Chinese who are willing to give their body and soul for socialist construction. In spite of the campaign against bourgeois liberalisation, however, the prevalent mood among the populace is "looking at everything with only money in mind."

More moderate leaders like the politburo member in charge of ideology, Mr Li Ruihuan, and the National People's Congress Chairman, Mr Wan Li, have recently

admonished China's journalists to tell the truth—and not to conjure up mirages of "perfect socialism."

The tragedy of the shoddy propaganda exercise the CCP seems to be perpetrating, however, is that in their anxiety to highlight those "unstinting screws of the revolution," the illusionists and public-relations gurus seem to have lost sight of other standards of heroism.

Would Beijing ever admit that the student protesters who sacrificed their lives the night of June 3 were heroes?

In a recent outburst, Deng Xiaoping dismissed the likes of Wuer Kaixi as opportunists who are lustng after "selfish gains and ambitions which nobody could satisfy."

Just a few years earlier, however, when such of Mr Deng's lieutenants as the late party chief Hu Yaobang and the former politburo member, Hu Qili, were ushering in a bold new world of reform, Beijing was slowly warming to a new ideal.

In the mid-1980s, the two Hus were celebrating a "new thinking man" who can blaze new trails in "modernising" Marxism.

As a leading academic put it in those heady days, the Chinese hero is one who is not "afraid of being electrocuted when he makes bold breakthroughs in theory and practice."

Alas, in the wake of the bullets that rained down Tiananmen Square, a generation of Chinese children and youth have been deprived of decent role models.

#### Article Criticizes Editor's Literary Theory

HK1608042490 Beijing RENMIN RIBAO in Chinese  
9 Aug 90 p 5

[Article by Yan Zhaozhu (0917 2507 2691): "Commenting on the Essence of the 'Theory on the Subject of Literature'"]

[Text] In recent years, among criticisms on literary and artistic theories, those regarding the "theory on the subject of literature" have drawn much people's attention. There are some historical reasons for this theory to have become a popular topic during the new period in our country, because some shortcomings and weaknesses exist in our literary and artistic works and theory studies in this aspect. Correctly handling and carrying forward the subject role of writers and artists in literary and artistic creation is indispensable to the development and prosperity of socialist art and literature. Nevertheless, at the same time, we must see that in understanding and grasping the subject and the literary subjectivity, there has always been the opposition between materialism and idealism, and the difference between Marxism and Non-Marxism or Anti-Marxism. Therefore, this will produce a totally different influence on socialist art and literature. Any theory on the subjectivity of literature shows

its essence exactly in this respect. Then what is the theoretical essence of the theory on the subject of literature advanced Liu Zaifu, chief editor of "WENXUE PINGLUN" [Comment on Literature]?

**I. Liu Zaifu's Theory on the Subject of Literature Negates the Object's Restriction on the Subject, Exaggerates the Subject's Functions, and Allows the Subject To Determine the Object**

If we review the process in which Liu Zaifu put forward his theory on the subject of literature, we will have no difficulty understanding his basic train of thought. In the second and third issues of "DUSHU" [Studies] in 1985, he put forward the argument on the shift from "internal to external" and "returning to self" in literary studies. Afterwards, in "WENHUIBAO" (on 8 July, 1985), he reiterated that literature should "shift to inner being and return to self," maintaining that literature "can only break through from the status of a political vassal or a religious girl slave and from the limitations in reality so as to obtain greater freedom." He went on to advance that we should "mainly think about the subject" in literary studies so that people "will comprehend the higher inner life and purer spiritual activities in a free mood" ("Literary Studies Should Be Centered on Man"). With this notion as the first step, in the sixth issue of "WENXUE PINGLUN" in 1985 and the long treatise entitled "Comment on the Subjectivity of Literature" (this article will be quoted below without reference to it) in the first issue in 1986, he gave in-depth elaboration on his theory on the subject of literature. This notion shows very clearly that he wants literature to shake off the "various shackles in reality" and "obtain greater freedom," and that he wants the subject of literature be consequently centered on the "inner life" of man so that the "free inner life" will decide on everything.

As a matter of fact, the "Comment on the Subjectivity of Literature" clearly says: "It is necessary to attach importance to the subjectivity of man's spirit." "When this subjectivity of the spirit is lost, people will lose the subjectivity through practice." This is to divide the subject into the spiritual subject and the subject through practice, making the former more important than the latter. The article continues to say: "The spiritual world of man as the subject is an independent and incomparably rich mysterious world." "Like the activities of the outer cosmos, those of the inner cosmos of the spiritual subject have their own guidance, forms, vector, and history." This grants absolute independence to the spiritual subject. Liu Zaifu also held: "The inner cosmos, which has subject understanding, and the outer cosmos, which is known by men and which is being practiced, join forces to push forward history." "Times are created by men, and the environment is conditioned by them. They have an enormous restricting and controlling power over the environment." That is to say that the independent and mysterious spiritual subject "controls and restricts" the objective world with an enormous force.

It is very obvious that there are fundamental differences in principle between Liu Zaifu's subject theory and Marxism. The Marxist materialistic subject view stresses the restricting role of the object over the subject. And with this as the premise, it discloses the dialectical relations between the subject and the object and confirms the positive activity of the subject.

However, Liu Zaifu centers the subject on man's spirit by giving it absolute independence and a mysterious power that restricts and controls the objective world. This is not only what Marxism opposes completely, but also what ordinary materialism persistently rejects. In fact, practice has produced the most convincing refutation at hundreds of times to this kind of idealism. For the people of China, there is not a more ridiculous laughing-stock than the saying that "the more courageous a man is, the more productive the land is." The reason it is a laughingstock is that we have paid a painful cost through our practice. Even if we changed its wording to awe-inspiring philosophical terms and gave it a colorful embellishment, people would only say no to it with thanks, and would not be willing to pay another high fee to learn it.

What deserves our attention is that the subjective idealist subject view advanced by Liu Zaifu opposes mechanism and environmental determinism by stressing the subject "free creation" of man as an excuse. He attempts to create a false theoretical impression that appears to stress that the object's restriction over the subject is definitely mechanism and environmental determinism, and that it will definitely hinder and suppress the subject "free creation." This false theoretical impression has perplexed many people. Nonetheless, a false impression is a false impression. The control of the object over the subject stressed in Marxism never advocates mechanism nor environmental determinism, but demands that the subject acknowledge and respect the objective inevitability, and that the subject attempt to discover, voluntarily follow, and correctly use objective laws so as to actively transform the objective world and the subjective world. In fact, this obviously confirms and strengthens the subject activity, and scientifically points out that the realm of necessity is continually developing to the realm of freedom. Engels gave an excellent remark by saying: "Freedom controls our own selves and the external nature according to the understanding of the inevitability of nature." The so-called "free creation" which disowns and despises the objective inevitability will only cause the subject to become the least free.

It is ironic that after strongly exaggerating the subject view of subjective idealism, Liu Zaifu acknowledged: "Anyway, man is limited by society and nature, and he always has to bear the pain of being limited." This "painful" acknowledgement has pulled down at one stroke the subjective philosophical mansion, which he has built laboriously on the sand! The world in which the spiritual subject is independent and mysterious has become a mirage all of a sudden, and the great power by

which the spiritual subject controls everything has suddenly become nothing. Nevertheless, although his "acknowledgement" was made at a time when he had no way to turn, yet it has its theoretical objective. He also said: Now that in real life "man is limited by society and nature," he needs the "free land opened up by art for man," "in which he can obtain things he cannot in the imperfect real life." In other words, only in art and literature can the spiritual subject break through the various shackles of reality, and can it lord it over everything as it pleases. This is the theme of his theory on the subject of literature. However, this completely exposes that Liu Zaifu's so-called literary subject is only one without the object, only an unreal image in the mind, an abstract spirit totally separated from reality.

## II. Liu Zaifu's Theory on the Subject of Literature Negates the Objective Laws Governing Historical Development, and Sums Up the Ultimate Driving Force for Historical Development by Spirit

Using an eclectic attitude, Liu Zaifu advanced the argument that the inner cosmos and the outer cosmos join forces to push forward history. In form, it has two really well-coordinated and comprehensive elements. However, it is, of course, not the Marxist materialist conception of history. No doubt, Marxism affirms the positive role of spirit in historical activities and spirit's contribution to the development of history. But he does not hold that spirit is the ultimate driving force for the development of history. Engels once made this critical remark: "Old idealism betrays itself in the historical realm because it holds that the driving force of spirit, which functions in the historical realm, is the ultimate reason, while it does not study what is behind this driving force and what the force behind the driving force is. What is incomplete does not lie in the acknowledgement of the driving force of spirit, but in the fact that it does not trace from this driving force the cause for the force." Therefore, Marxism clearly advocates the materialist conception of history, pointing out that economic activities will ultimately restrict the development of history, and opposing the use of spirit in any form as the ultimate reason for historical development. Of course, it also opposes the use of dualism as a form to disseminate this kind of false argument.

In fact, Liu Zaifu does not treat spirit and material in a fair and coordinate way. He said: "Only by understanding the parallel quadrilateral force of the inner cosmos, will we be able to describe more comprehensively human historical movements and the driving force for the progress of human history. In this way, man will have to find his own location all over again, discover his own strength, change himself from the historical status as a negative tool of the outer cosmos, and reaffirm his real value in history again." We can see from this that Liu Zaifu's historical dualism is not balance or coordination between the two elements, but conflict and struggle between them. The element of material will change man to a slave and a tool, while that of spirit will have to "reaffirm that he is lord and the purpose."

Moreover, the latter will ultimately fight and beat the latter, and will take its place and change "man's historical status from a negative tool of the external cosmos." Is he promoting the sale of his historical idealism under the guise of dualism?

Anyway, human social history up to the present time is basically restricted by economic movements. This is a hard fact. However, this is what Liu Zaifu criticizes, opposes and overcomes with the element of spirit. Therefore, Liu Zaifu naturally has to distort the entire history up to the present time as man's "alienated" history or the history of "the loss of subjectivity." He said: "The human history is still in the 'pre-historical' era. This kind of society always has shortcomings. Under this overall social situation, man still cannot fully and thoroughly occupy his own free essence." Therefore, man is still "far from being free." "During his alienated labor, man has been alienated, and so his life is full of misery." In this way, man's rich historical development process has been put into a priori idealistic historical formula. That is: "Man"—"the negation" or "alienation" of "man"—"returning to man's self." Moreover, he stressed that only "when the ideal society is brought about....can man's values be fully obtained and man's "true historical era" begin. In other words, the "returning to man's self" as a historical stage has not come yet.

According to Liu Zaifu's historical formula, the socialist reality in today's China is of course depicted as "being alienated and far from freedom," "being full of human misery," and so on. We must admit that our society today is not completely perfect. And just because of this, we are continually exploring the development rules for a socialist society and continually improving ourselves through reform. And we are striving hard continually for the lofty ideal of communism. However, one must not slander that there is no "freedom" but only "alienation" and "misery" in our society. On the so-called freedom, Engels said: "It is naturally a product in the development of history. The primitive man, who was separated from animals, has no freedom, in essence, as animals. However, every cultural advancement is a step toward freedom." Likewise, every victory in social revolution is also a step toward freedom. By overthrowing the three big mountains, with which their heads had been weighed down, and by founding the socialist New China, the Chinese have obtained unprecedented freedom and liberation, have they not? Is it not true that since the Third Plenary Session of the 11th CPC Central Committee, the Chinese people have adhered to the four cardinal principles, pursued the policies of reform and opening up, and continually obtained remarkable achievements in the four modernizations, and enabled them to obtain greater freedom and liberation? In view of this, freedom is always historical and concrete. Therefore, the abstract and empty "man's free essence" before his existence as disseminated by Liu Zaifu never exists, nor does the absolute freedom which has no concrete historical contents. Making freedom abstract and absolute is a trick of

historical idealism, and it naturally takes an unhistorical attitude toward history so as to smear the socialist real life.

Let us return to literature again. To Liu Zaifu, it seems that now that men are still at the historical stage of "the loss of subjectivity," they will only advocate the "literary subjectivity," and "leap spiritually" to "return to one's self" through literature, and thoroughly overcome and eliminate the historical shadow created by the element of material. It is obvious that this kind of "literary subjectivity" is purely an illusion in the subjective spirit, only a sign for absolute freedom, and a call for the abstract "man." By advocating such "literary subjectivity," he not only severs the links between literature and real life, but also uses literature to advocate the opposition between absolute freedom and socialist reality.

**III. The Central Theme of Liu Zaifu's "Theory on the Subject of Literature" Is Aimed at Propagating the Extreme Individualistic Values and Outlook on Life, and Advocating the Universal Human Love. Therefore, It Will Only Lead Socialist Literature and Art Astray**

The theory on the subject of literature "puts man's subjectivity as the main theme for thinking," "restores man's subject status in all links of literary movements." Then, what is the central theme of the so-called literary subjectivity? Liu Zaifu said: "The real realization of the writer's subjectivity is his self-realization." He also said: "The whole process of the acceptance of art is exactly the process by which human nature returns to where it has been." These two sentences sum up the central theme of his literary subjectivity. We should remember that Liu Zaifu holds that in today's reality it is impossible to realize self nor restore human nature. Therefore, his so-called writer's self-realization demands that the writer produce works transcending "a class, a faction, or an organization," transcending "collectivity and obedience," also transcending any "social or natural limitations," "in his mind taking the place of God," and "turning to oneself, invoking oneself, regulating oneself and realizing oneself." In other words, it demands that the writer to separate oneself from reality, expands oneself, and demonstrates and realizes oneself with an absolute free spirit. He said: "These kinds of works enable the readers to realize everything, in his aesthetic activities, which he cannot realize in this life" and to "realize free and self-conscious essence by aesthetic and quiet observation." Then it is very clear that the essence of this kind of literary subjectivity is nothing more than self-expansion, the extremely individualistic values and outlook on life by which one can do anything he likes.

In fact, Liu Zaifu once said: "If we consider self-realization as insignificant joys and sorrows, it will be very unfortunate." Self-realization "not only enables one to return to oneself but also extends the self feelings into society and into human beings," and even "maintains one's love for the people at all times." And exactly under the "motivation" of this love, the writer is experiencing

the process of "self—superself—selflessness." However, these words are only theoretical mist and must be uncovered.

Let us begin with the so-called "superself." The proletarian interpretation of superself is that one places the interests of the party, class and the people above himself, and therefore superself lies in collectivism, patriotism, proletarian awareness, the party spirit. However, Liu Zaifu's so-called "superself" is the "putting oneself in the place of another" that starts from himself, and the "extension of love" that proceeds from the love for oneself. It lies in the universal love and therefore is pan-philanthropism. Of course, they are two different views of "superself." The former is an attitude of "being willing to serve the people despite the criticism of one thousand people," which puts up a resolute struggle against the enemy, and serves the people wholeheartedly and without grumbling. Whereas the latter advocates that the writer's "love has no boundary, and so is his concern for the country and the people." By saying "love has no boundary," he means that it is the "great love" that "transcends self, blood relations, religions, and national boundary." It advocates the "love for everyone including the enemy, and forgiveness for everyone including the criminal." It is the love that "totally transcends benefits and fame, and is pure love." It is the love that comes out of love, and so it can be said to be the love not sustained by sufficient reasons, or without a good reason.

Therefore, we have no difficulty in discerning that one's so-called "love for the people" is completely hypocritical, because one advocates universal love, which includes the love for the enemy. When one says one loves the enemy of the people, then is one's "love for the people" totally unreal? In fact, Liu Zaifu's "love for the people" begins with the "love for everyone." He believes that "only when someone is a man, he has the gene of human civilizations planted in the depths of his mind, and his soul will improve, and he will be saved, reconstructed and rebuilt." Therefore, he treats the people as "all people" that "can be saved" with the attitude of a spiritual aristocrat who shows cheap pity, while he himself is high up there to show "concern for the world and the people." Is it not a love that cannot be explained satisfactorily? Because it is clear that he only loves himself. As far as aristocrats are concerned, giving alms is a kind of amusement, a confirmation and demonstration of the aristocratic status, an "obtaining of the sense of the highest values of self" by "being fully sympathetic to others," and a demonstration and satisfaction of extreme individualistic "extraordinariness."

"Superself" is hypocritical and so is his "selflessness." The proletariat is unselfish, and therefore naturally advocates the communist spirit of "benefiting not oneself but only others." Nevertheless, Liu Zaifu's "selflessness" can never be separated from one's self. He said: By loving others and loving the human beings one attains the individual subject values, which is a state in which "one's self is integrated with everything." He said: "The

highest self-esteem and the highest degree of self-realization of the writer should reach such a selfless state. In this state, the writer can break through the barrier between the subject and the object so that will sink into oblivion, that one can be integrated with others as one person, and that one can be in a mysterious state which transcends the secular world." It is very obvious that this is the mysterious state advocated by subjective idealists, namely enlarging one's self from his spirit to an extreme state so that one will have the spiritual illusion that "he has not entered into nature, and nature has not entered into him," or that "he is the world, and the world is him." He said this is "a great inner freedom," "a powerful and unconstrained style of great spirit." By this, the "pain of being limited" in reality can be temporarily relieved with the result that one "gets a temporary spiritual experience of being liberated, or rather an experience of being free." Yes, this is precisely the portrait of the minds of extreme individualists and the spiritual comfort. I wonder if it is "selflessness?"

The so-called literary subjectivity which advocates extreme individualism as its central theme does not only inevitably lead to the separation of literature from real life, but also naturally causes literature to be in opposition to socialism, because this kind of "literary subjectivity" does not match socialist reality in the least. In view of this, Liu Zaifu demands that people should understand that those possessing this subjectivity "are always full of grievances" and "discern the shortcomings and weaknesses in reality with a sober mind," "carrying a heavy burden like a snail," that they have "misery," "anxiety, lamentations, or even tears," and that "there will be no literature without tears." Under the influence of this literary subjectivity, in recent years this kind of literary works have really been produced in our country. They depict and praise those poor and cynical ones who separate themselves from the masses, vent grievances against reality, and seek after self values. They depict and praise those spiritual aristocrats and sham hippies who are decadent and declining, expand themselves, look down on everyone, and seek after absolute freedom. They propagate extreme individualistic outlook on life and values, seriously poisoning the spiritual civilization, and enlarging the influence of bourgeois liberation.

In view of the above, Liu Zaifu's theory on the subject of literature is in essence an subjective idealistic artistic and literary theory. He has claimed many times "the people are the foundation," but in fact he uses spirit as the foundation of the world. He has exaggerated again and again "man's values," but in fact he seeks the absolute freedom of the individual will. He has advocated on many occasions "humanism," and "human love," but in fact he only advocates the narrow self-realization. At one time, he also talked on the "sense of mission" and the "concept of anxiety and sorrow," but, in fact, he only advocates existentialistic sense of loneliness and pessimistic feelings. The "returning of self" of literature that he advocates will only cause literature to separate from socialist reality and oppose it. His "literary subjectivity" is in fact the extreme individualistic

values and outlook on life. This kind of "theory on the subject of literature" runs counter to Marxist literature and art, exerting a negative influence on our literary and artistic theories and creation, and playing a bad role by giving impetus to the growth of bourgeois liberation ideas. We should know its theoretical essence, and clarify the theoretical veracity, and really strengthen our exploration into literary subjectivity, and promote the development of Marxist literature and art and the prosperity of socialist art and literature.

#### Correct Treatment of Intellectuals Discussed

OW1508183790 Beijing BAN YUE TAN in Chinese  
No. 13, 10 Jul 90 p 14, 15

[Article by Sun Ling (1327 0134): "Correctly Treating Intellectuals"]

[Text] In the political upheaval that occurred at the beginning of spring and summer of 1989, a small number of intellectuals were involved. Some intellectuals like Fang Lizhi, Li Shuxian, Yan Jiaqi, and Bao Zunxin even became organizers, plotters, and directors of the turmoil in Beijing. It can be said that without these people fanning the flames and stirring up trouble, the turmoil would not have arisen.

Some people deduced a conclusion from this and held that intellectuals were the source of turmoil.

In recent years, the ideology of bourgeois liberalization has run rampant in China, and some intellectuals were quite active in this respect. Had these people not delivered speeches, written articles, produced TV films, and published books, such viewpoints as "total Westernization" and "Marxism-Leninism is outdated" would not have exerted influence on a considerable number of people in China. Therefore, some people also deduced from the aforementioned situation that intellectuals are also the source of bourgeois liberalization.

Although the aforementioned facts undoubtedly are true, these two conclusions cannot be established. Obviously, if these two conclusions are tenable, intellectuals would be negated entirely.

To evaluate a class or a stratum, one should not look at a small number but should look at the mainstream. This is common knowledge in materialist dialectics. Whether we should regard intellectuals as positive or negate them must hinge on two points. First, what is the proportion of those intellectuals who represented the "elites of turmoil" and "liberalization" among China's intellectuals? Second, what role has been played by the main body of Chinese intellectuals in China?

These questions are not difficult to answer. The proportion of those who participated in the turmoil and who advocated bourgeois liberalization is very, very small—less than one in 10,000—among more than 20 million intellectuals in China.

If we carefully analyze the role played by intellectuals in contemporary China, we can see that those who battle year in and year out in various fields and professions including industries, agriculture, national defense, culture, education, medical service, sports, science and technology, and other trades constitute the mainstream of Chinese intellectuals. Without their hard work, it would be difficult for our state organizations to function normally, various scientific and technological inventions could not come about, various military equipment could not be produced, and various products could not be designed. I do not mean that all the jobs mentioned above are performed by intellectuals, but the role played by intellectuals in this connection is undeniable.

A whole year has lapsed since the political upheaval occurred last year. We can calmly recollect the happenings and arrive at this conclusion: The overwhelming majority of China's intellectuals are good, love their motherland, support the Communist Party of China, adhere to the socialist road, and are reliable.

We should not waver at all in our faith toward them.

For those intellectuals who are more advanced in age, I am sure the lot and plights they experienced during the "Cultural Revolution" still remain fresh in their memories. For this reason, they wholeheartedly support the party's policy toward intellectuals. They will not forget that in 1977 the party Central Committee decided to restore the system of entrance examination for schools of higher learning. This was the first major task that Comrade Deng Xiaoping ventured to undertake when he resumed work. This has become a principal channel for regularized training of China's intellectuals today. Immediately after that, the party Central Committee pointed out that "intellectuals are a part of the working class." This has won the support of the broad masses of intellectuals. In the 1980's, Comrade Deng Xiaoping further put forward the slogan of "showing respect for knowledge and capable people." In the four prerequisites for cadres, namely "being more revolutionary, younger in average age, better educated, and professionally more competent" clearly set by the CPC Central Committee, "being more educated" is one of them. A number of outstanding intellectuals have thus joined the Chinese Communist Party. Party committees and governments at various levels have also made considerable efforts to improve the lots and working conditions of intellectuals.

The results are clearly noticeable. However, this does not mean that the party's work toward intellectuals is perfect.

The following phenomena still exist in China today: Intellectuals who have returned after successfully completing their studies overseas are compelled to go abroad again because they cannot fully utilize their talents; some teachers are allocated houses only until their retirement, and those houses they receive are already unsuitable for living; the case like that of Zhang Guanghou, who passed away in the prime of his life owing to poor living

conditions and other reasons, is not a singular case; the case of Shi Guangnan who was only paid a little more than 10 yuan for composing the "Song of Toast," which is very popular throughout the country, is also quite common.

I do not need to cite more examples. In the work of training, using, and providing job placement for intellectuals, there are still problems that are urgently awaiting improvement. Soberly seeing the inadequacies of our work on intellectuals is precisely a prerequisite for further improving the work in this connection. How to train one group after another of qualified and outstanding intellectuals and how to fully whip up their enthusiasm remain as an important task facing party committees and governments at various levels.

Even today, the phenomenon of looking down upon intellectuals and knowledge still exists among some of the cadres and people for various reasons and in varying degrees. Some are even quite serious. Their viewpoints, words, and actions still hamper the intellectuals from giving full play to their role.

This is precisely where the critical point of the problem lies. As mankind enters the 1990's and when various nations of the world are competing in comprehensive national strength, if we are unable to fully whip up the already quite limited enthusiasm of intellectuals and are unable to train more intellectuals in a better and faster way, who can we rely on then for launching satellites, conducting research in superconductors, and exploring Antarctica?

Comrade Mao Zedong once said: "It is impossible to score victory in revolution without the participation of intellectuals." At a report meeting held recently by the young people in the capital to mark "May 4," Comrade Jiang Zemin pointed out: "It is even more impossible to achieve victory in construction and reform without the participation of intellectuals."

We can correctly treat intellectuals only when we understand the matter from this high plane.

#### Cadres Sent To Grass-Roots Levels To Study

HK1608021590 Beijing RENMIN RIBAO in Chinese  
7 Aug 90 p 4

[“Dispatch” by reporter Duan Cunzhang (3008 1317 4545); “Nearly 1,000 Cadres of Organs and Organizations Directly Under the CPC Central Committee Go to the Grass Roots To Conduct Investigation and Study”]

[Text] Beijing, 6 Aug (RENMIN RIBAO)—Over the past few months, nearly 1,000 cadres of organs and organizations directly under the CPC Central Committee have gone to the grassroots to conduct investigation and study, have started work in conjunction with their professions, and enjoyed the masses' good comments.

Of the comrades who have gone to the grass roots, 44 are leading cadres at the departmental level and 257 are

cadres at the bureau level. Lu Feng, director of the Organization Department of the CPC Central Committee, successively went to Langfang City and Guan County of Hebei Province to visit retired, and old cadres and workers at the production forefront and humbly listened to the views of the masses. Wang Renzhi, director of the Propaganda Department of the CPC Central Committee, went to Hubei Province to conduct investigation and study. In Wuhan City, he and comrades concerned of theory, literature, art, press, and publication circles held forums to get an understanding of the ideological state of the intellectuals. He also went deep into poor mountain areas in northwest Hubei and to places, including Nanyang and Xinyang of Henan Province to visit peasants' households, investigate advanced grass-roots party branches, understand the peasants' ideological state, and sum up the experience in grass-roots propaganda work.

The cadres of organs directly under the CPC Central Committee have gone to the grass roots to start work in conjunction with their professions. Centered on the central authorities' arrangements for work and in conjunction with its own professions, the Secretarial Bureau of the General Office of the CPC Central Committee successively sent 26 persons to nine provinces, including Fujian, Shaanxi, Guangdong, Hebei, Yunnan, Sichuan, Hubei, Zhejiang, and Gansu, to conduct investigation and study. They supervised and inspected the situation in implementing the policy decisions of the central authorities and wrote investigation reports, including "The situation in building an honest and clean government of Quanzhou City, Fujian," "Party and government cadres of Shangluo Prefecture, Shaanxi go to the grass roots to persist in doing practical things for the masses for several years," and "The situation in building the party organizations of the Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly foreign-owned enterprises." The Central Discipline Commission has sent cadres to the grass roots to integrate investigation and study with the handling of big and serious cases, and have had a good influence on the masses.

The cadres of the organs of the Communist Youth League [CYL] Central Committee have gone deep into 20 key universities and colleges in places, including Beijing, Tianjin, Shanghai, Anhui, Shaanxi, and Gansu, to conduct investigation and study, and written some 10 investigation reports, including "On a number of suggestions on the current ideological and political work for the students." The cadres of the units, including the United Front Work Department and International Liaison Department of the CPC Central Committee and All-China Women's Federation, have gone to old liberated areas, minority-nationality areas, border areas, and poor areas in Guizhou, Sichuan, Guangxi, Tibet, Xinjiang, and Nei Mongol to investigate and study the questions of intellectually supporting border areas, nationalities, religions, united front work, the stability of the borders, and women. They have written investigation reports on

special subjects. Through investigation and study, the All-China Federation of Trade Unions have helped some enterprises, that suspended or partially suspended production, resolve their practical difficulties.

To make the work of the cadres who have gone to the grass roots more effective, the General Office of the CPC Central Committee has set up some liaison centers at the grass roots to strengthen the connection between the organs and the grass roots. At present, the Secretarial Bureau of the General Office of the CPC Central Committee has set up some 150 information liaison centers throughout the country.

#### JINGJI RIBAO Placed Under State Control

HK1508011390 Beijing JINGJI RIBAO in Chinese  
27 Jul 90 p 1

[Text] Recently, the State Council made a decision on placing JINGJI RIBAO under its control. The Research Office of the State Council will provide it with working guidance, and a relevant department under the office will administer it. To draw on collective wisdom and absorb all useful ideas, conform itself to new changes, and make new contributions, JINGJI RIBAO held a work meeting in Beijing on 26 August.

A total of 141 representatives from 35 provinces, autonomous regions, municipalities directly under the central government, and cities, especially listed in the state planning attended the meeting.

Wang Renzhi, director of the Propaganda Department under the CPC Central Committee; Liu Zongde, deputy secretary general of the State Council; Yuan Mu, director of the Research Office of the State Council; Zhou Zhiying, press spokesman of the State Planning Commission; Wang Qianghua, deputy director of China Press and Publications Administration; Liu Guoxiong, deputy director of Information Bureau under Propaganda Department, and others attended the meeting and spoke.

In his speech, Wang Renzhi said: The State Council has decided to place JINGJI RIBAO under its control. This is an important matter. This shows that the newspaper is important, and that running it well will play a great role in reflecting and promoting economic construction in China, reform, opening up, economic work of the government, and the great social practice of the Chinese laboring people. This also shows that the newspaper has been run comparatively well, and that the leadership has trusted JINGJI RIBAO, and its leading body.

Wang Renzhi continued: One of the important tasks of economic propaganda is to guide all people, so that they will fully understand the superiority of the socialist system. Through a host of vivid and convincing facts we should tell people that socialism is truly better than capitalism, and that without carrying out socialism in China under the leadership of the CPC, there will be great disorder, and we will lose everything. Therefore, in our newspaper propaganda work, we must firmly stick to

the one center and two basic points, and must never waver in this regard. No deviation is allowed. We must persist in adhering to them.

Wang Renzhi added: Our propaganda work must also guide people, so that they understand that we have to go a fairly long way in order to promote our economy. We should advocate among our people the spirit of loving our country and nation, and making contributions to our country. We must advocate the practice of plain living and hard struggle, and economizing on food and clothing in order to promote our economy. We must not try to excessively stimulate consumption desires of the people, because it does not conform with our national conditions.

In his speech, Liu Zhongde, deputy secretary general of the State Council, pointed out: Press reports of JINGJI RIBAO have made an outstanding contribution, and played an important role in recent years. It has been clear that the relationship between JINGJI RIBAO and the State Council is one of consecutive subordination. Such being the case, a higher demand has been set on the newspaper, and the most important of which is to stick to the correct political orientation. Specifically speaking, in the course of running the newspaper, we must uphold the four cardinal principles, and oppose the erosion and influence of bourgeois liberalization. Of course, to run the newspaper well, we must also do well other work. But sticking to the correct political orientation is the most important work.

Yuan Mu, who rushed back to Beijing from another place in order to attend the meeting, talked about the nature, tasks, and editing guiding principle of JINGJI RIBAO. He pointed out: The more I go to the lower levels, the more I discover the vitality, enthusiasm, and creativity of the masses. Comparing with this, I find that the number of our newspaper reports which reflect the creativity of the masses is comparatively small, whereas the number of reports on meetings and documents is comparatively large. In our economic, political and cultural life, and socialist modernization, we mainly rely on the joint creativity of our workers, peasants and intellectuals. A considerably large space of our newspapers must be devoted to give publicity to our outstanding laborers. He pointed out: One of the important urgent tasks of the propaganda work is to boost the confidence of the people throughout the country in socialism, the confidence of Communist Party members in particular.

This will enable our people to truly understand the superiority of the socialist system not only in theories, but also in practical life. After the relationship between JINGJI RIBAO and the State Council has been further defined, I hope that the newspaper will study the way for propagating the superiority of the socialist system in a vivid, lively and specific manner, which can strike root in the hearts of the people, and that it will study the way for boosting the confidence of the people in socialism.

At the meeting, Fan Jingyi, editor in chief of JINGJI RIBAO, delivered a speech entitled "Conforming with the New Changes, and Greeting the New Challenge." He proposed an initial idea on running this newspaper which belongs to the State Council. Deputy editors-in-chief Yang Shangde, Luo Kaifu, Wang Zhaodong, and Qi Zhiwen, and editors Shu Ye and Gao Yongyi also attended the meeting.

Those responsible persons of the government offices from various provinces, autonomous regions, municipalities directly under the central government, and cities specially listed in the state planning, and responsible persons of the relevant departments who had attended the meeting included Shi Huiqun, Zhang Shaozong, Wang Jiayan, Guo Lanyu, Bai Sheng, Xu De, Shi Xianzhang, Yu Chunfang, Liu Yongnian, Li Zi, Zhang Long, Gao Zhenyu, Wang Mingkai, Li Zhongqi, Zhang Wenxue, Wang Jingguo, Yang Tonghua, Gao Pengyun, Huang Guangwen, Yang Li, Dou Ruguang, Xian Guozheng, Wang Yonglin, Jin Zuoliang, Ye Jinsheng, Xu Jinhua, Shi Junyi, and Zou Xudong.

### Qiao Shi, Others Speak at Anniversary Reception

OW1508201990 Beijing XINHUA Domestic Service  
in Chinese 0959 GMT 15 Aug 90

[By reporter Sun Benyao]

[Text] Beijing, 15 Aug (XINHUA)—Speaking at a tea reception to mark the 10th anniversary of the founding of "FAZHI RIBAO" [LEGAL SYSTEM DAILY] and to discuss the need to intensify propagation of laws, Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and secretary of the Central Judicial Affairs Commission [zhong yang zheng fa wei 0022 1135 2398 3127 1201], and other leading comrades stressed the need to intensify the propagation of laws.

Chen Pixian, member of the Central Advisory Commission Standing Committee; Xi Zhongxun, vice chairman of the National People's Congress [NPC] Standing Committee; Ren Jianxin, deputy secretary of the Central Judicial Affairs Commission; and Zhang Siqing, Song Rufen, Zhou Yushu, and Shao Huaze, leading personnel of departments in charge of judicial, propaganda, journalistic, and publishing affairs, were all present at the reception which took place at the Great Hall of the People today.

On behalf of the CPC Central Committee, the State Council, and the NPC Standing Committee, Qiao Shi extended their warm greetings to "FAZHI RIBAO" on its 10th anniversary. He praised the daily for the great deal of work and the enormous successes it has accomplished in supporting reforms, the open policy, the modernization drive, and in intensifying socialist democracy and law in China under the guidance of the lines, principles, and policies followed since the Third Plenary Session of the 11th CPC Central Committee.

Qiao Shi said: We are now in the 1990's, and I hope "FAZHI RIBAO" will not be satisfied with what it has accomplished, but will continue to forge ahead in order to achieve even greater success and make even greater contributions to China's socialist democracy and law in the 1990's.

"FAZHI RIBAO," which is published by the Ministry of Justice at the request of the Central Judicial Affairs Commission, was founded on 1 August 1980. At that time it was called "ZHONGGUO FAZHI BAO." Upholding the four cardinal principles during the last decade, the paper has been striving to report the news and achievements concerning legislation and the dissemination and enforcement of laws, and to voice people's requests; this has caused the paper to receive great attention from all party and government organizations and to enjoy a wide readership. Its circulation has now exceeded 1.5 million.

Chen Pixian and Xi Zhongxun pointed out at the reception that a high degree of socialist democracy and law are one of the basic objectives and missions the CPC and the state, and are what the people aspire after. They urged the paper to play a greater and more positive role in the construction of socialist democracy and law.

On behalf of the Central Judicial Affairs Commission and the vast number of law-enforcement personnel in the country, Ren Jianxin greeted the 10th founding anniversary of "FAZHI RIBAO." He said: There is still a lot of work to be done in perfecting China's legal system, in handling state affairs according to law in all fields, and in drawing up laws. Genuine efforts must be made so that there are laws to follow, and that these laws are adhered to and strictly enforced, and that lawless people are punished. The mission remains a formidable one. Law propagation and education is very essential during the course of promoting socialist democracy and law.

In their remarks at the reception, Cai Cheng, minister of justice; Wei Jianxing, minister of supervision; Xu Weicheng, executive deputy head of the Propaganda Department of the CPC Central Committee; Yang Yi, executive secretary of the Secretariat of the All-China Journalists' Association; and Zhang Guohua, professor of the Law Department of Beijing University, pointed out that efforts must be made to further improve the propagation of the law and to expedite the institutionalization and codification of socialist democracy.

When the tea reception began, "FAZHI RIBAO" publisher Lu Fengyi briefed the attendees the paper's operation over the last 10 years. Wu Shenzong, the paper's chief editor, chaired the reception.

Before the reception, Qiao Shi, Chen Pixian, Xi Zhongxun, Ren Jianxin and other leading comrades had an audience with some editors and reporters of the paper.

#### Family Seeks Location of Alleged Defector

HK1508095290 Hong Kong MING PAO in Chinese  
14 Aug 90 p 2

[“Special dispatch” from Paris by staff reporter Kao Hsi-wei (7559 6007 4850): “Yuan Xuefen, Member of the Standing Committee of the National People's Congress, Arrives in Bolivia, Seeks Asylum From the U.S. Government”]

[Text] Since the National People's Congress [NPC] Standing Committee member Yuan Xuefen, an active participant in the pro-democracy movement in China in 1989, disappeared in Bolivia, South America, nothing is known about her whereabouts so far. Her husband Zhang Huazhong [1728 5478 0022] has appealed in the United States to overseas Chinese for help.

The above story was disclosed by the Chinese-language department of the French national radio station "France-Inter" in its newscast yesterday.

The Chinese-language department of "France-Inter" is able to broadcast to Mainland China. In a story entitled "Whereabouts of Yuan Xuefen Unknown; Her Husband Zhang Huazhong Seeks Help From Overseas Chinese," this radio station disclosed the involvement of Shanghai's famous Shaoxing opera actress Yuan Xuefen's four-member family in the pro-democracy movement in China in 1989, and the details of the ensuing arrangement for their escape.

The story goes:

In June last year, Yuan Xuefen and her family took part in the student-led movement in Shanghai. Her first son Zhang Liren [1728 4539 0086] was a third-year student in the Shanghai Chemical Industry School and joined the college students federation on behalf of his school. Her second son Zhang Liding, a Senior Grade Two student in Dajing Middle School, Shanghai, also took an active part in the student movement. During the movement, Yuan Xuefen and her husband bought whole bolts of cloth and gave it to students for making banners, armbands, and flags. After "4 June," Yuan and her family decided to run abroad.

Last September, Yuan Xuefen and her first son Zhang Liren went through all the procedures for leaving the country and flew to Bolivia to wait for her husband and second son there. In May this year, Zhang Huazhong and Zhang Liding also completed their procedures for leaving the country. On 2 May, when passing through the United States, the father and the son sought political asylum from the U.S. authorities at Los Angeles Airport. Zhang Huazhong and Yuan Xuefen had earlier agreed: On the same day, Yuan Xuefen and her first son would seek political asylum from the U.S. Embassy in Bolivia. But after 2 May, Zhang Huazhong lost contact with Yuan Xuefen and the whereabouts of Yuan and her son is still unknown.

Someone in the U.S. Embassy in Bolivia said: On 2 May, there were indeed two people who came to the embassy to seek asylum. But the embassy was closed on that day. However, when further inquiry was made about this matter, no one in the embassy admitted it. Zhang Huazhong phoned where Yuan and her son lived, but the reply was that nothing had been heard from them since 2 May. Zhang Huazhong and his second son are now on parole in the United States. They have been looking for Yuan Xuefen and Zhang Liren through various channels including the international organization for helping people recover their lost contacts, the U.S. Salvation Army, and local Chinese clubs. But these efforts have not gotten them anywhere yet. Zhang Huazhong and Zhang Liding had to seek help from overseas Chinese, in the hope that some of them could ask local Chinese to find out Yuan and her son's whereabouts for them.

Should anyone happen to know their whereabouts, please contact Zhang Huazhong's voluntary lawyer Huang Lihua. Telephone number: 213 892 4537.

#### Defection Refuted

OW1508175490 Beijing XINHUA in English  
1537 GMT 15 Aug 90

[Text] Shanghai, August 15 (XINHUA)—Noted Shaoxing Opera star Yuan Xuefen attended a contest of young Shaoxing Opera actors and actresses from Jiangsu, Zhejiang and Fujian Provinces and Shanghai municipality here yesterday evening.

Yuan, in her 60s, acted as art adviser for the contest. She said that she was glad to see so many promising actors and actresses in the contest.

Yuan has had a stage career of nearly half a century.

"Art calls for creation, not imitation," she said. "Each actor or actress should have his or her own artistic style."

Earlier this year, Yuan led a Shaoxing Opera troupe to perform in factories and villages.

"I want our young actors and actresses to get involved in social life and enhance their sense of responsibility," she said.

The Hong Kong-based "MINGPAO DAILY NEWS", a Chinese-language newspaper, reported yesterday that actress Yuan Xuefen had "deserted" China together with her husband and children.

Commenting on the report, Yuan said the rumor is not worth refuting. "I am very indignant about the report," she said.

She added that her husband is now in Shanghai, and he is not named "Zhang" as the Hong Kong newspaper reported.

She led a troupe on a tour of the United States between May and June last year. "My colleagues and I all returned to China as scheduled," she recalled. "I know

my own value. My career is in China and I am willing to devote all I have for my country."

#### More on Alleged Defection

HK1508101290 Hong Kong TA KUNG PAO in Chinese  
15 Aug 90 p 1

[("Special dispatch" from staff reporter Kao Hsiao-hsiao (7559 5135 4562): "Actress Yuan Xuefen Interviewed in Shanghai on the Rumor About Her 'Fleeing the Country'"]

[Text] Shanghai, 14 Aug (TA KUNG PAO)—The temperature in Shanghai today reached 36 degrees Celsius. In the Art Research Institute of the Shanghai Shaoxing Opera Academy, president of this academy and famous Shaoxing Opera artist Yuan Xuefen was working on the first episode of the TV serial "History of Shaoxing Opera." She told this reporter with utter indignation that she was furious when she learned that a newspaper in Hong Kong had published a special dispatch from Paris as the number one story on its front page today, claiming that she left China for Bolivia on 2 May and disappeared enroute to the United States for political asylum. Then Yuan Xuefen delivered a solemn statement through this reporter. She said: This "story" published by that Hong Kong newspaper is sheer fabrication. Its purpose is to throw dust in people's eyes, sway the media in a deceptive way, and frame a case against me.

Yuan said: I am a citizen of the People's Republic of China. I love our beloved motherland and I deeply understand that our motherland, which has gone through a good deal of miseries and hardships, is still striding forward with firm steps to the glorious future. My destiny, career, and ideal have a flesh-and-blood tie with this vast land of China. Without New China, there would have been no me.

Yuan Xuefen was very excited and she continued: In May and June last year, when the turmoil was at its peak, I led a troupe to the United States for a tour and performances. At that time, sensational rumors of all kinds came from all directions. There were indeed some friendly people or "kind-hearted people" who persuaded me to stay. But all members of our troupe and I returned to China on schedule. It was my firm belief that our country needed stability, the people wanted stability, and the turmoil was bound to meet its end. Furthermore, I always think that the value of an individual lies in his/her devotion to career. I returned to China on schedule without hesitation even in those most turbulent, difficult days last year. Today, when our country is politically, economically, and socially stable, how could it be possible that I "fled the country" and "sought asylum?" Those gentlemen who started the rumor, you are too imaginative, and your story is too far-fetched.

Finally, Yuan expressed her wish that TA KUNG PAO of Hong Kong should convey her message to all her friends abroad who are concerned about her that she is doing well. She said: Despite my old age, I am still

engaged in a variety of social activities, in the theoretical summing-up of the art of Shaoxing Opera, and in the training of young artists. Recently, I have been busy with my part in the preparatory work for the Shaoxing Opera Young Actors Grand Prix, jointly sponsored by Shanghai, Zhejiang, Jiangsu, and Fujian TV stations. As long as I live, I will devote all my energies to the cause of Shaoxing Opera to which I have dedicated my life, and to our beloved motherland.

Tonight, the young artists of Shaoxing Opera from Jiangsu, Zhejiang, Shanghai, and Fujian started to contend for this year's TV grand prix, "New Stars of Shaoxing Opera," at the Shanghai People's Arena.

Yuan Xuefen, the famous performing artist of Shaoxing Opera, spoke highly of the TV grand prix which is a way to encourage and discover promising new artists of Shaoxing Opera, and she happily agreed to act as adviser to the grand prix. When interviewed by the press after she watched tonight's performance, Yuan Xuefen said: Nothing could make me, an old actress, happier than to see new artists of Shaoxing Opera coming forth in large numbers. She believed that the new rule requiring each entrant for the grand prix to act in a newly created opera, is helpful in changing the present situation wherein some young actors do nothing but imitation.

Because some people were spreading the rumor that Yuan Xuefen had escaped abroad, she received many calls from Hong Kong, Taiwan, and the United States tonight, thoughtfully asking about her conditions. Yuan Xuefen expressed her gratitude to all these and told them that she was all right in every sense.

Regarding the news that member of the Standing Committee of the National People's Congress Yuan Xuefen has sought political asylum in Bolivia, deputy director of the Hong Kong Branch of XINHUA News Agency Zhang Junsheng said to the press when attending a public occasion yesterday that he had seen Yuan Xuefen with his own eyes in Beijing last December, whereas a story claimed that she had arrived in Bolivia seeking political asylum last September, which was obviously wrong.

According to the information from Shanghai, Zheng [6774], instead of Zhang [1728], was the surname of the famous Shaoxing Opera actress Yuan Xuefen's husband. For decades, he has been working in the circles of press and cultural publications. He was a reporter with Shanghai's JIEFANG RIBAO and WENHUI BAO and later took charge of a cultural publishing house. He retired a few years ago.

**Scholars Launch Survey on Aspects of Development**  
OW1608114990 Beijing XINHUA in English  
1039 GMT 16 Aug 90

[Text] Beijing, August 16 (XINHUA)—About 1,000 Chinese scholars specializing in social sciences have

launched a nationwide survey on the country's development in various aspects, including politics, economy and culture.

It is the largest such survey for 40 years, according to sources at the Academy of Social Sciences.

Sponsored by the academy, the investigation began in 1988 and covers 100 counties and cities; it will be completed in five years.

Surveys have been completed of 22 counties and cities, and investigations of 41 counties and cities are expected to be finished by end of this year.

These counties and cities are situated in 30 provinces, autonomous regions and municipalities, with different levels of economic and social development.

The survey teams will publish their findings relating to the achievements made in the past 40 years, especially in the past 10 years, in the fields of economic reform and opening to the outside world. They will also explain contradictions and problems arising from the modernization program and economic development.

**Bank Governor Meets With Asian Bank Officials**  
OW1408124990 Beijing XINHUA in English  
1142 GMT 14 Aug 90

[Text] Beijing, August 14 (XINHUA)—State Councilor and Governor of the People's Bank of China Li Guixian met with and hosted a dinner for Yong Chung, vice-president of the Asian Development Bank (ADB), and his party here this evening.

Li and the visitors had a conversation on issues of common concern.

**Chen Xitong Confident of Success of Asian Games**  
OW1408080890 Beijing XINHUA Domestic Service  
in Chinese 1211 GMT 10 Aug 90

[By reporter Zhou Jie (0719 2638)]

[Text] Beijing, 10 Aug (XINHUA)—Chen Xitong, chairman of the 11th Asian Games Organizing Committee and mayor of Beijing, has expressed his confidence in the success of the Asian Games.

Speaking here today at the second meeting of the 11th Asian Games Foundation Council, Chen Xitong said that the inopportune death of Prince Fahad, president of the Olympic Council of Asia, is a loss to both Asian sports and the 11th Asian Games. However, we are earnestly doing our best to prepare for the games and receive our guests from all parts of Asia.

Chen Xitong said: We are fully confident of the success of the Asian Games.

**Yang Shangkun Appoints, Removes Envoys**

OW1508145490 Beijing XINHUA Domestic Service  
in Chinese 0841 GMT 15 Aug 90

[Text] Beijing, 15 Aug (XINHUA)—Yang Shangkun, president of the People's Republic of China, has appointed and removed the following envoys:

1. Shi Chunlai is removed from the post of ambassador extraordinary and plenipotentiary of the People's Republic of China to the United Mexican States;

Huang Shikang is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the United Mexican States;

2. Chen Dongsheng is removed from the post of ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Bolivia;

Xie Rumao [6200 3067 5399] is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Bolivia;

3. Sun Dagang is removed from the post of ambassador extraordinary and plenipotentiary of the People's Republic of China to Western Samoa;

Yue Junqing [2867 0193 3237] is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to Western Samoa;

4. Gu Jiaji is removed from the post of ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Djibouti;

Sun Zhirong [1327 3112 2837] is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Djibouti;

5. Ding Yuanhong is removed from the post of deputy representative (with ambassadorial rank) of the Permanent Mission of the People's Republic of China to the United Nations; and

6. Qin Huasun is removed from the post of representative (with ambassadorial rank) of the Permanent Mission of the People's Republic of China to UN Office at Vienna and to other international organizations.

**Forum on Regional Development Research Ends**

SK1608122190 Harbin HEILONGJIANG RIBAO  
in Chinese 21 Jul 90 p 1

[Text] The national forum on the regional development research and consultative work ended in Harbin on 20 July after a four-day session.

Participating in this forum were 45 representatives from Hunan, Gansu, Shandong, Jiangsu, Liaoning, Jiangxi, Anhui, Heilongjiang, and Tianjin. The forum was presided over by Han Tianshi, member of the Central Advisory Commission and director of the China Regional Development Research and Consultative

Center, and by Li Jianbai, member of the National People's Congress Standing Committee and chairman of the Heilongjiang Development Research and Consultative Committee. Representatives freely expressed their views on making retired veteran cadres and veteran specialists have something to do during their latter years and on how to conduct research and consultation for the economic, social, and scientific and technological development of various regions.

Speaking at the forum were Ma Xilin, executive deputy head of the China Regional Development Research and Consultative Center; Liu Zheng, chairman of the Hunan Provincial Committee of the Chinese People's Political Consultative Conference and director of the Hunan Provincial Economic Development Promotion Committee; Ou Yuanfang, Standing Committee member of the Anhui Provincial Advisory Commission; Lu Zixiu, member of the Anhui Provincial Party Committee and secretary of the Chuxian County Party Committee; Li Wenquan, executive vice chairman of the consultative committee of the Tianjin Municipal People's Government, and some other comrades.

Attending the forum were the provincial party and government leaders Sun Weiben, Wang Zhao, Wang Luming, Wang Haiyan, and He Shoulun; as well as Zhao Dezun, retired veteran cadre.

This forum was cosponsored by the China Regional Development Research and Consultative Center and by some provinces and municipalities.

**Wang Bingqian Inspects Shandong's Economic Work**

OW1508130890 Beijing Television Service  
in Mandarin 1000 GMT 13 Aug 90

[From the "National News Hookup" program]

[Text] [Video begins with a shot of Wang Bingqian, accompanied by Shandong leaders, inspecting a textile mill. It then cuts to a close-up of Wang Bingqian discussing economic work with local leaders in a meeting room. It ends with a shot of Wang inspecting other factories in Shandong] While inspecting economic work in Shandong Province recently, Wang Bingqian, state councillor and minister of finance, stressed that in readjusting the economic structure, it is necessary to pay attention to the solution of two problems. First, it is necessary to improve the investment structure and develop new high-tech products. Without improving the investment structure, it is impossible to readjust the production structure. Problems will emerge again even if it is readjusted. Second, the scale of capital construction should be limited. During the Eighth Five-Year Plan, in general, no new projects should be built except key projects that concern the national economy and the people's livelihood. In particular, no more processing industries should be built. It is necessary to expand production by making good use of existing processing industries. Therefore, it is necessary to carry out technical transformation in existing processing enterprises in

accordance with the lines of production so as to meet the needs of readjusting the product mix and raising their economic results.

Wang Bingqian said: Under the present circumstances in which the country suffers under a financial strain, it is necessary to use our limited funds economically. In dealing with the construction of overlapping projects and importation of overlapping items, we should organize enterprise groups to coordinate operations in order to prevent waste. Production departments should change their practice of stressing production while neglecting commerce, should promote the marketing of products by upgrading their quality, should enliven the flow of commodities by stressing quality instead of quantity, and should raise input returns.

### **Song Ping Encourages Savings in Shandong Tour**

*OW1508152590 Beijing XINHUA Domestic Service  
in Chinese 0534 GMT 15 Aug 90*

[By reporters Guo Xiusheng (6753 0208 3932) and Li Jin]

[Text] Jinan, 15 Aug (XINHUA)—Song Ping, member of Standing Committee of the CPC Central Committee Politburo, inspected Shandong's rural areas 7-14 August. He emphasized during the inspection: To step up socialist ideological education among peasants is an important part of our current rural work. We should educate the peasants in how to correctly handle the relationship between accumulation and consumption, work hard to increase investment of labor, gradually expand the collective economy, and lay a solid foundation for steady development in socialist rural areas.

The vast countryside of the Jiaodong area is covered with green crops. Both corn and peanut crops are growing promisingly, apple trees are full of fruit, and every part of the rural area is full of vitality. Comrade Song Ping, braving the summer heat, inspected rural areas in eight counties (cities) around Qingdao, Yantai, and Weihai cities. He held several discussion meetings and was briefed by local leading cadres at various levels. He also visited peasant and fisherman families, had cordial chats with the masses, and familiarized himself with the actual situation. After hearing reports from responsible comrades of the Shandong Provincial Party Committee, Song Ping expressed his satisfaction with the work of Shandong Province and was greatly pleased with the province's political stability and its development in industry, agriculture, science and technology, and opening to the outside world. He praised the Shandong Provincial Party Committee for its serious and firm implementation of the Central Committee's line, principles, and policies, for following a clear and definite ideological line, and for doing solid work. He also praised the cadres at various levels and the masses for their high morale and vigor. He noted his belief that the political and economic situation there will continue to improve.

After he was told that Haiyang County achieved good results in socialist ideological education in rural areas, Song Ping said: At present, it is very important to step up socialist ideological education among peasants. In rural areas, it is still necessary to pay attention to building the two civilizations concurrently. In some localities, some success has been achieved in economic development, but ideological education has been overlooked, giving rise to such evils as gambling, fighting, and feudal superstitions. It is very necessary for us to step up socialist ideological education among the peasants so as to raise their awareness of socialism, patriotism, collectivism, and lofty moral values. We should substitute healthy things for decadent and backward things, instill socialist thinking in the mind of the peasants, and establish socialist political supremacy in rural areas. The socialist ideological education should be carried out as a comprehensive measure to raise the masses' political awareness, develop the rural economy, and rectify rural grass-roots organizations. Cadres should be organized to spend sufficient time in rural grass-roots units to help solve problems there and further promote rural work.

Song Ping also pointed out that socialism is created in the course of work, and we should rely on the broad masses to work hard and take advantage of China's rich manpower resources to constantly increase the investment of labor. In June this year, Comrade Song Ping wrote a letter to Jiang Chunyun, secretary of the Shandong Provincial Party Committee, in which he praised the hardworking spirit of Jiujianpeng Village in the Yimeng Mountain region. When he met with Liu Rukun, secretary of the party branch of Jiujianpeng Village, during a recent inspection, he praised the villagers as an example of hardworking people. The villagers of Jiujianpeng Village, led by Communist Party members there, have worked hard for several years to overcome poverty. In their mountain village surrounded by cliffs, they have set up power lines, built roads, and constructed means for bringing water to their village. They have greatly improved the situation of the poor mountain village and achieved an annual per capita income of 750 yuan. Song Ping pointed out: The experience of Jiujianpeng Village shows us that as long as Communist Party members take the lead in working hard, things will always be full of promise. He said: Since the Third Plenary Session of the 11th CPC Central Committee, great development has been made in economic and other undertakings in the vast countryside, and the peasants' living standards have improved remarkably. However, some rural areas are still relatively backward and the people's life there is quite hard. In order to make new progress in rural development, China needs to continue upholding the four cardinal principles, persist in reform and opening to the outside world, and work hard. While localities achieving fairly rapid development need to work hard, backward localities need to work even harder to tap their manpower's potential. During his inspection of Xiadongjia Village in Longkou City, Song Ping was very pleased to witness the success achieved by the villagers after more than 30 years of hard work in turning the once

poor mountain valley, which used to lack soil and water, into a rich village with high grain output and a successful forestry program. He zealously ascended to the top of a dam, which is several dozen meters high, to look around at nearby terraced fields and the blue reservoir. Tapping a rock up there, he said with emotion: A village alone has accomplished so much. If all the people across our country are mobilized to work hard, our socialist modernization will be greatly accelerated.

During his visits in villages achieving fairly rapid development, Song Ping continually re-emphasized: It is necessary to guide the peasants in correctly handling the relationship between accumulation and consumption. We should not be content with "little successes" and should look far ahead, continuing the promotion of further development in economic and other undertakings. The cadres of Lijiatong Village in Laixi County told Song Ping that since their distributed per capita income has already reached 1,000 yuan, they plan to increase agricultural investment while keeping the distributed share at the current level without further increases. Song Ping praised their plan as a good idea. He also expressed his appreciation of the efforts made by Yuanyao Village in Huancui District of Weihai City to invest in cultural and educational undertakings after the village became rich. He told some village cadres during the inspection: After the distributed income reaches a certain level, you should guide the peasants to increase their investment in production and increase the collective accumulation. We hope that the peasants can live a better life. However, our foundation is poor. If the collectives do not have a reasonable amount of accumulation, it will be very difficult for them to tide over natural disasters and to sustain stable agricultural development. We need a large amount of funds to invest in science and technology, education and the development of intellectual resources, and to improve the peasants' material life and cultural life. For this reason, we should consider long-range rural development and the well-being of the future generations, refraining from high consumption. There is no future in eating and spending everything.

During the inspection, Song Ping thoroughly exchanged views with the responsible persons of the province and some cities and counties on such questions as training of young rural cadres, building of grass-roots organizations, readjustment of the structure of rural production, export trade, development of marine resources, and animal husbandry. He put forward important opinions on those matters.

Comrade Song Ping inspected the Jiaodong region after he attended the national forum on building village-level organizations held in Laixi County. He was accompanied on the inspection tour by Jiang Chunyun, secretary of the Shandong Provincial Party Committee.

## Science & Technology

### Underground Nuclear Explosion in China Reported

AU1608104790 Paris AFP in English 1019 GMT  
16 Aug 90

[Text] Stockholm, August 16 (AFP)—A Swedish military seismic observatory said it recorded a tremor on Thursday that appeared to stem from an underground nuclear explosion in China, the observatory said. The Hagfors observatory said the explosion came at 0500 GMT and indicated it came from a bomb of 50 to 200 kilotons, if the explosion took place in rock.

China usually tests its nuclear weapons in the Lop-Nor desert, in northwest China.

On May 26, the observatory recorded the first Chinese nuclear test since September 1988.

### Round-up on Geographical Science Development

OW1508164590 Beijing XINHUA in English  
1402 GMT 15 Aug 90

[by XINHUA correspondent Wang Nan; "Round-up: Geographical Science in China in the 1980s"—XINHUA headline]

[Text] Beijing, August 15 (XINHUA)—The last decade has witnessed a rapid development of geographical science in China, according to representatives attending the International Geographical Union's Asia and Pacific Regional Conference in Beijing.

Geographers say China's major geographic achievements since the late 1970s include the rapid and balanced development of demography and progress in interdisciplinary research fields such as population, resources, the environment, regional planning and territorial management.

Scientists from the Chinese Academy of Sciences say that the holding of the regional conference of the International Geographic Union in Beijing shows that international geographical circles are attaching increasing importance to the work of Chinese geographers.

Chinese geographers played an important role in compiling a 32-volume series of books entitled "The Population of China." The series cover the distribution, migration, gender and age structure of China's 1.1 billion people.

Great progress has been made in the study of the land and agricultural resources of China. A land utilization survey and a land evaluation of the whole country have been completed. A large comprehensive atlas on Chinese agriculture has also been compiled and will soon be published. This will be the first of a five-volume Chinese national atlas to be published in the next few years.

Geographers have formulated effective measures to combat desertification, and in collaboration with other scientists, they are beginning to study global climatic change.

Concerted efforts have also been made in the study of regional planning and territorial management. A territorial management study of the Beijing-Tianjin-Tangshan area, the most important economic, political and cultural district in northern China, has been undertaken.

The new technology, such as remote-sensing, a geographic information system and long-term geographic experimentation stations, have achieved encouraging results. The establishment of a national laboratory of resources and environmental information system at the Institute of Geography of the Chinese Academy of Sciences is a major technological advancement.

Scientists say a number of experimental stations have been set up to research deserts, agro-ecosystems, dyke-pond ecosystems, and glaciers.

The scientists note that remarkable progress in the study of the Tibetan Plateau, glaciology, coastal zones, urban planning and historical geography has been achieved in the past decade.

Through comprehensive surveys, Chinese geographers have found a tropical area in the southeastern part of the Tibetan Autonomous Region. The area is thought to be the world's northernmost tropical ecosystem.

Coastal study has been an active area of geographical research in China. According to experts at the Chinese Academy of Sciences, the most remarkable developments in the last decade in coastal research have been the comprehensive survey of China's coastal zones and the first comprehensive survey of the evolution of the Yellow River delta.

Owning to rapid urbanization, urban geography and urban planning have become some of the most important research topics in China. Emphasis is placed on the study of small cities and towns which are important in regional industrialization and have close economic ties with large cities. Certain well developed areas like the city of Shanghai in eastern China and Dalian in the northeast have been chosen by geographers as models of China's urbanization.

The publication of an eight-volume atlas of historical geography of China in 1988 was also regarded as a great event in Chinese geographic research. The atlas contains 304 maps showing the historical changes of administrative regions and place names as well as the country's rivers, lakes and coasts.

## Military

### Moral Education for Military Stressed

HK1408143790 Beijing JIEFANGJUN BAO in Chinese  
27 Jul 90 p 1

[Commentator's article: "Unswervingly Put Moral Education in First Place"]

[Text] Colleges and schools should unswervingly put moral education in first place, and this is our party's constant education principle. It is also the basic conclusion drawn from the work experience of colleges and schools since the beginning of reform and opening up. At the recent forum on ideological and political education for cadets in military academies and schools, this issue was deeply discussed, and experience was exchanged. This certainly helped strengthen and improve moral education in the military academies and schools.

Putting moral education in first place was determined by the fundamental character of education in our academies, colleges, and schools. After last year's political storm, we more clearly and soberly realized that putting moral education in first place in college and school education is an issue concerning whether reliable successors can be trained. It is also a major political principle concerning the orientation of running the colleges and schools. For our military academies and schools, putting moral education in first place is of special importance. Our Armed Forces hold a special and important position in maintaining the state's stability and defending modernization construction, and must always be politically up to standard. In a certain sense, this is contingent on whether the military academies and schools can unswervingly put moral education in first place. Whether the people trained by our military academies and schools are politically up to standard is an issue that directly determines in whose hands the Armed Forces are controlled and thus has a bearing on our country's long-lasting order and stability. Therefore, the hostile forces at home and abroad always pay special attention to colleges and universities, including the military academies and schools, and take them as the key link in pursuing their "peaceful evolution" strategy and conducting ideological and cultural infiltration. Our struggle against their attempt to win over the successors will be intense and complicated in the colleges and universities. When facing this situation, we must also keep sober-minded, and must firmly place moral education in first place in the school work at all times.

In order to actually put moral education in first place, we should make great efforts to strengthen and improve the teaching of political theory courses. Many facts show that if young people are ignorant of and indifferent to Marxist theory and blindly worship and accept the bourgeois ideology and theoretical viewpoints of the West, then they will certainly go astray. Young students are experiencing the period of forming their world view, life outlook, and values. They are fond of thinking, and are highly malleable. Only by strengthening education in

Marxist theory and guiding them to lay a firm theoretical foundation can they be helped to raise their ability to resist various erroneous ideological trends. This task should mainly be fulfilled through the teaching of political theory courses. The political theory courses are the main channel and the main position of moral education in academies and schools. In the last few years, the military academies and schools have consistently attached importance to strengthening and improving the teaching of political theory courses, and have continuously explored new ways to make improvement and accumulate a lot of experience on the basis of carrying forward our Army's fine tradition. For example, cadets were guided to study and master the basic Marxist principles in a systematic and accurate way. The four cardinal principles were always upheld in a clear-cut manner and were used to resist the corrosive influence of the erroneous Western ideas on the cadets. According to the principle of linking theory with practice, efforts were made to solve the problems existing deeply in the minds of some cadets so as to help them keep firm confidence in socialism. The social practice of the cadets was strengthened so that they could face the world and brave the storm and could identify themselves with workers, peasants, and soldiers. Attention was paid to the function of political theory courses in remolding people's thinking, and guidance was given to the cadets, thus prompting them to consciously remodel their own world view and conscientiously study, believe, and apply Marxism. All this was the successful experience, and increased the political theory courses' sense of the times, pertinence, principled position, and convincing power. So it played a positive role in training qualified officers for the military forces.

However, we must also soberly note that because the international reactionary forces tried hard to pursue their "peaceful evolution" strategy, because the socialist cause encounters temporary setbacks and difficulties, and because the trend of bourgeois liberalization ran rampant several times, the political theory courses are now facing unprecedented challenges. When facing the challenges, we must more deeply study and solve the problems existing in the teaching of political theory courses and ensure that the Marxist theory can firmly occupy this field.

In order to actually put moral education in first place, we must ensure that it is conducted in the whole process of teaching in the military academies and schools, and unremitting efforts must be made to ensure this. First, moral education must be conducted among all cadets from entrance to graduation. In different stages of the cadets' study in the military academies and schools, there are different characteristics in their minds, and they may encounter different problems. The pertinence and effectiveness of moral education must be strengthened and kept consistently in light of the characteristics of the cadets' thinking. Second, moral education should also be conducted in the teaching process of all academic courses and disciplines, and be consciously combined

with the basic courses, professional courses, and military courses. Moral education should exist in intellectual education so that when the cadets acquire scientific knowledge, they also master the Marxist world view and methodology. Third, moral education should be conducted in the whole process of the cadets' sparetime activities. If the correct things do not occupy the cadets' after-school time, the wrong things will inevitably make inroads. Political theory courses and ideological work are aimed at educating people; the lively and healthy cultural life and the strict and scientific school management rules are also aimed at educating people. It is necessary to broaden the channel for educating people and make moral education pervade the daily lives of the cadets.

In order to actually put moral education in first place, the key lies in the party committees. The primary duty for party committees in the military academies and schools is to adhere to the socialist orientation of running the schools and guarantee the implementation of the principles laid down by the party central leadership and the Central Military Commission in the military academies and schools. We believe that so long as the party committees attach importance to moral education and all quarters concerned make efforts to promote moral education, then moral education in the military academies and schools will certainly be strengthened, and more modern military talents who are politically up to standard and who have proficient professional and military knowledge and talent will be brought up.

## Economic & Agricultural

### Finance Minister on Financial Work

HK1608050390 Beijing GUANGMING RIBAO  
in Chinese 28 Jul 90 p 3

[Article by Wang Bingqian (3769 0014 0051): "The Current Situation and Tasks in Financial Work"]

[Text] We are now facing a complex and grim situation. This situation is developing in a good direction. First, the entire country is experiencing political, economic, and social stability. This is the basic situation emerging since the turmoil and rebellion were put down last year. This point must be confirmed. Second, the policy of improving and rectifying the economy and deepening reform drawn up by the Fifth Plenary Session of the 13th CPC Central Committee has produced marked results through a year of implementation, and new experience has been gained. These achievements have been made at a time when there is pressure from abroad and there are difficulties in the country. These are amazing. Third, last year the country achieved good results in financial work under difficult conditions, with revenues exceeding state plans. This basically ensured the funds for construction and reform and contributed to the work of improving and rectifying the economy and deepening reform.

However we should not overestimate the situation or our achievements. Old problems that have piled up in our country are intertwined with new contradictions emerging in the course of improving and rectifying the economy, thereby adding to the difficulties in our advance. In the struggle between two different ideas in the course of reform and opening up, we have scored a decisive victory, but this struggle is not yet over. Bourgeois liberalization, which seriously spread for several years, has been criticized, but its influence is still far from being eliminated. Although theoretical confusion is being put right, some mistaken theories and views are still holding their ground among certain people. Marked achievements have been made in economic rectification, but it is difficult to immediately correct the habit of being overanxious for quick results or to solve over-distribution of national income. Viewed from the present state, because the scale of construction and the demand for funds have both exceeded the national strength, economic relations, particularly distribution relations, still remain unresolved. In addition, economic results have worsened, and foreign and domestic debts are facing a peak repayment period, thereby adding to our financial difficulties. Viewed from the strategic angle, some deep-rooted problems in financial and economic work have not received adequate attention. For example the degree, method, and scope of combination between the planned economy and market regulation have a direct impact on the centralization and decentralization of state financial resources. A second example is the impact of the population on the economy and revenues. The excessive growth of the population takes a large portion of the increase in national income, and one-third of the country's revenue is used for all sorts of subsidies. The aging of the population has caused problems in social welfare and put heavy pressure on the state, thus seriously restricting financial and economic development. A third example is the resources issue. Taken as a whole, our country "is large and is rich in resources"; but viewed from the per capita level, our country's resources are quite inadequate. In particular, gratuitous use and waste of resources are serious. This inevitably hampers the exploitation of financial resources. The comprehensive harnessing of the ecological environment also requires a huge fund. If environmental pollution and ecological deterioration cannot be controlled, this will offset achievements in economic development apart from causing future trouble for our descendants.

"Man has worries, one way or the other." The international and domestic situation has set higher demands and new tasks for our financial work. We should consider coordinating theory with practice and take account of the country's financial and economic situation. State finances should be used to provide effective financial support for the country's political, economic, and social stability. For this reason, in financial work we should always focus on economic construction, adhere to the four cardinal principles, and uphold the policy of reform and opening up. On the ideological and theoretical fronts

in particular, we should persistently apply Marxist stand, viewpoints, and methods, study and develop socialist financial and economic theories; and criticize erroneous views and proposals that do not conform with the national conditions, run counter to science, and are aimed at weakening financial functions and financial macrocontrol. Through improving and rectifying the economy and deepening reform, efforts should be made to change and strengthen financial functions and to straighten out the relations between financial and economic work. In addition, we should take an active part in macroeconomic policymaking and management so as to provide effective and powerful financial support for the further development of the country's political, economic, and social stability, and for the fulfillment of the second-phased target in China's economic development strategy.

At present we should correctly handle the relations between stability, reform, and development. Stability is the foundation and precondition and is a matter of priority importance. Reform serves as a condition and impetus. Development is the purpose. To bring about the further development of China's political, economic, and social stability, we should fulfill the following main tasks:

First, we should do a good job in improving and rectifying the economy and form coordination between retrenchment and structural adjustment. It is necessary to straighten out the relations between financial and economic work, to rationally adjust the distribution structure, to coordinate increases in revenues with economic development rates, and to raise the proportions of these two. This will help lay a reliable foundation for striking a financial balance. Here we are required to rationalize the repayment structure, to improve the regularity and stability of income, and to reduce the percentage of temporary and unstable income. Income from debt repayments can only be a supplementary source of funds for construction. Loans must be provided properly without loss of control. In the expenditure structure, expenditure for the economic development strategy must be guaranteed, administrative expenditure must be strictly controlled, and expenditure for financial subsidies must be properly reduced. Moreover, efforts should be made to carry out the "double increase, double economy" movement extensively, profoundly, and protractedly, to implement the policy of building the country through diligence and thrift, to improve enterprises' operations and management, to enrich state finances, and to make the financial stamina stronger.

Second, reform should be deepened in coordination with the fulfillment of targets for economic rectification. Viewed from the financial angle, it is necessary to adjust the relations between the state and enterprises, to improve the enterprise contracted management responsibility system, and to practice the "separation of tax

payment from profit delivery" and "after-tax loan repayment" on a trial basis. This necessitates the improvement of the taxation system, the improvement of taxation management, the improvement of taxation law, and the adjustment of distribution relations between central and local governments. Experiences and lessons in the financial contract system should be summed up so as to gradually form a regular, standard, and differential financial system. Efforts should be made to strengthen our management over state assets, to preserve the entity of state assets, and to improve the use results of state assets. This will help raise the value of state assets. In short, there is a need to improve the financial operational and management system so that it will conform with the combination of the planned economy and market regulation, with the aim of bringing the initiative of all departments into play and improving economic results.

Third, it is necessary to bring revenues into a virtuous cycle of stable development. First, we should correctly handle the relations between the total amount, structure, growth rate, and results of revenues. In the course of economic development, we should control the total amount, optimize the structure, maintain a moderate growth rate, strive for good results, and keep a virtuous cycle. Second, we should form a rational distribution mechanism, rectify the order of revenues and taxes, and correctly handle the relations between budgetary and extrabudgetary funds as well as the relations between the financial resources of the state and society. Third, we should profoundly study and implement a correct financial development strategy. In conclusion, we should work out comprehensive financial management methods along with the formulation of the Eighth Five-Year Plan and a 10-year program, so as to solve difficulties in financial work and to allow it to get into a virtuous cycle of stable development.

### Ministers Discuss Invigorating Rural Markets

OW1508050090 Beijing XINHUA Domestic Service  
in Chinese 1218 GMT 14 Aug 90

[By reporter Chen Yun]

(Text) Beijing, 14 Aug (XINHUA)—Zeng Xianlin, minister of light industry, and Hu Ping, minister of commerce, sat together four months ago to discuss a matter of great importance—how to invigorate the market. Recently, they made separate trips to the depths of rural areas to conduct investigations and studies. Both concluded that the urgent task for invigorating the market is to explore and enliven rural markets.

In early July, Minister Zeng Xianlin led an investigative group and brought along some 1,000 different light industrial product designs to rural areas on the Tahan Shan, including Xiyangping Village of Quyang County, Chengnan Village of Fuping County, and Xibaipo Village of Pingshan County in Hebei Province and Dou Village of Wutai County in Shanxi Province. After that, Minister Zeng Xianling led the investigative group to

some rural areas of the three northeastern provinces. The light industrial products were displayed in exhibitions to acquire opinions from the local peasants. These exhibitions attracted large numbers of peasants wherever the investigative group arrived. The peasants wanted everything the investigative group brought to them, from high-grade watches to baby food and small household electric appliances. In addition, they wanted something more—quartz clocks that strike the hours, bicycles that can climb slopes, and iron pots with long handles. From this, Minister Zeng Xianling arrived at a conclusion: The consumer goods market in rural areas has fairly great potential and peasants are very selective in buying commodities.

With deep emotion, Zeng Xianling said: In the past, we always talked about "the two markets," namely the international market and domestic market. In so doing, we regarded the domestic rural and urban markets as one thing, thus ignoring the unique law and salient features of the rural market. This resulted in the practice of "putting more stress on cities than rural areas, forgetting the requirements of rural areas when panic buying appears in cities, and sending commodities to rural areas only when the urban market is sluggish." Now, it seems necessary to have the concept of three markets: international market, domestic urban market, and domestic rural areas.

Zeng Xianling further proposed, efforts should be made to adjust the production of consumer goods based on the three-market concept. In particular, it is imperative to properly orient production, design products to fit a price level, and develop production at certain locations in line with the needs of rural areas. This will ensure that the vast rural market is supplied with more consumer goods that meet the demands and are also good, cheap, and durable.

Zeng Xianling said eliminating fake and shoddy products is also a key task to opening up the rural market aside from production adjustment. Peasants' aversion to fake and shoddy products caused a serious negative psychological effect on making purchases. Now, it is quite imperative to enact a "law for punishing fake and shoddy products" so that legal action can be taken to seriously punish those factories making fake and shoddy products. The goal is to eliminate such products.

Minister of Commerce Hu Ping made investigative tours to rural areas in Heilongjiang, Hebei, Hubei, and Shandong Provinces in June and July. As a result of the investigation, he said: The rural market is the main part of our domestic market. Over the past year, however, the rural market has been slack and the peasants' purchasing power has been low. We should fully understand the seriousness of this problem. Commercial departments, supply and marketing cooperatives in particular, should persistently take the rural market as their main target and make great efforts to enliven it.

The first step to develop the rural market is to make proper arrangements to buy farm and sideline products from peasants and actively expand the sales of such products to others according to Hu Ping. This aims at enabling the peasants to get as much cash as possible and increase their income forecast. Second, it is necessary to consolidate the grass-roots rural units engaged in commodity circulation and, at the same time, give full play to the role of state-owned commercial units and supply and marketing cooperatives as the main channels for commodity circulation. A variety of buying and selling methods have appeared due to the shortage of commercial funds. Examples are purchase agencies, sales agencies, and the joint purchase of goods to be sold separately. Additionally, some localities supply peasants with industrial products in exchange for farm and sideline products. Other localities encourage state-owned commercial units to extend their sales networks to rural areas. All these are welcomed by the peasants. To sum up, every positive effort should be made to explore new ways to expand operations. Third, we should improve the order of flow of commodities in rural areas. We should not only enliven the the rural market, but also strengthen its management. Regarding those commodities that can be bought and sold freely, though we should persist in multichanneled operations and let all pertinent economic sectors develop harmoniously, we cannot take a completely noninterfering attitude. For instance, we should solve the problem of deliberately putting up obstacles and collecting unjustifiable fees at various levels. Fourth, we should rationalize the wholesale systems for industrial products in both urban and rural areas.

Ministers Zeng Xianling and Hu Ping both hold that there are bright prospects of developing the rural market. The rural market is bound to thrive if we have the well-being of the 800 million peasants at heart.

**Ports Built Up To Cope With Foreign Trade**  
HK1608020690 Beijing CHINA DAILY in English  
16 Aug 90 p 1

[By staff reporter Guo Jinan]

[Text] China is to build up its ports this year to cope with the country's rapidly-growing foreign trade.

Construction along the 18,000-kilometre coastline was going full steam ahead to ensure completion by the end of this year of 74 new berths which would add about 40 million tons of handling capacity to the country's ports, according to an official from the port engineering section of the Ministry of Communications.

The ministry is in charge of the country's highway, port and waterway construction and related cargo and passenger transport.

And the first batch of docks was expected to be finished and put into operation by the end of this month, the official said, adding that 30 of the 74 new berths were to be deep water docks.

Some of the projects are listed as key state projects for the current five-year plan period (1986-1990). These include Qinhuangdao, Yingkou, Shijiu and Baoshan ports.

Apart from government investment and locally-raised funds, the ministry was also to use foreign funds to speed up the construction, the official said.

The ministry planned to use 85 million yuan (\$18 million) in foreign money this year, including World Bank and Japanese Overseas Development Fund loans, he added.

The official also said that foreign countries and firms had shown an interest in developing and constructing four international ports—the Dayawan in Dalian, Beilun in Ningbo, Meizhouwan in Fujian and Dapengwan in Shenzhen.

China now had 26 major ports with a handling capacity of more than 1 million tons each, he said, adding that there were more than 270 deep water docks along the coast, including those specializing in coal, grain, ore, timber, crude oil and container shipment.

Since 1985, the country had built seven container docks at the Tianjin, Shanghai and Guangzhou ports, and six coal berths at Guangzhou, Qinhuangdao and Shijiu ports using foreign money.

The official said local-funded ports had also ushered the country's port construction drive forward and given a boost to local economic development.

These ports, funded and constructed by local governments, were administered by localities with technical help from the ministry, he said.

According to statistics from the ministry, state investment in communications totals 4.7 billion yuan (about \$1 billion) this year.

**Control of Rural Commodity Prices Urged**  
HK1508031790 Beijing RENMIN RIBAO in Chinese  
6 Aug 90 p 2

[“Commentary” by Gao Tiesheng (7559 6993 3932), Cao Yushu (2580 3768 2579), and Liu Xiaonan (0491 1420 0589); “Control Commodity Prices in Rural Areas”]

[Text] There is a noteworthy situation, i.e., the rise of retail prices in the rural areas surpasses that in the cities. This state of affairs has been going on since February 1989.

According to statistics by commodity prices departments, in 1989 the retail price index in the rural areas

was higher than that in the cities by 2.8 percentage points; in the first half of 1990, it was again higher by 4.3 percentage points. Before February 1989, however, the retail price index in the rural areas was always lower than that in the cities.

The conditions and causes are complicated, of course. A very important cause is that rural price management has failed to keep pace with the situation. In recent years, a chaotic price order has also emerged in the rural market. Some supply and marketing cooperatives have willfully lowered the grades and prices of agricultural and sideline products they purchase, which has led to repeated "major campaigns" for the products; the prices of commodities sold on the rural market have been willfully marked up, with the price of the same commodity higher by 10 to 20 percent in the rural market than in the township or town market. Moreover, the phenomena of arbitrarily imposing quotas and fees under all sorts of names have not been curbed despite repeated prohibitions. Some peasants angrily say: "With the higher authorities only taking charge of grain and money collection, the rural market prices have become a neglected corner."

In fact, the price management departments have not forgotten the rural areas. It is only that, according to the existing structure, the price management institutions are set up only at the county level rather than at the township or town level. There are only a dozen or so price controllers in a county of about several hundred thousand people; it will be fine if they can "make forays" to a town or township twice a year. Some town or township heads say: "It is hard to solve the problem even if the peasants lodge complaints to me and so it has to end up with nothing definite." This state of affairs should be immediately put right. Stabilizing rural prices is of great significance to maintaining social, political, and economic stability. It is an important matter of protecting the vital interests of the vast numbers of peasants and promoting the sound development of the rural commodity economy.

It is gratifying that, over the past two years, town and township price management teams have been set up one after another in many provinces. They are praised by peasants as the "stern judges of rural prices."

These townships and towns have set up price management institutions consisting of full-time and part-time management personnel. Of the 238 townships and towns in Hubei's Jingzhou Prefecture, 189 have set up price management and inspection centers, with 238 personnel actively carrying out their duties in township and town markets. There are over 2,200 price controllers across Henan Province.

By extending to townships and towns, many county price management institutions have set up a multi-level network of full-time and part-time price management organizations. Numerous forms of township and town price management organizations have emerged in 15 percent

of townships and towns throughout the country. They are changing the situation in which nobody publicizes the pricing policy and nobody implements the management measures in these localities. In Xiantao City's Haikou Town, Hubei Province, the town price management station has signed a certificate of responsibility with self-employed industrial and commercial workers, instructing them to put goods on sale with the prices clearly marked. It put up a yellow warning plate in front of the eight shops which failed to carry out the provisions, ordering them to rectify the practice within a set time limit. Now, with the percentage of state and collective shops putting goods on sale with clearly marked prices reaching 100 percent and that of self-employed workers reaching 95 percent, the outlook of rural price order has changed. The peasants say: "We are now free from anxiety when buying things!" Facts show that there must be special institutions as well as full-time and part-time personnel to control rural prices.

In Sichuan, Langzhong County's price management department conducted six general inspections on the prices of agricultural production means last year. They discovered 121 units violating price regulations on 1,485 articles (times), involving an amount of 215,000 yuan. It has thus basically succeeded in curbing the practice of willfully marking up prices. The county's price level tends to stabilize and the total retail price index of commodities dropped by 1.3 percentage points in the first quarter of this year over the same period of last year. On one occasion, some procurement stations (centers) took advantage of the sluggish market to purchase 63,000 live hogs at lower-than-protective prices and paid the peasants 76,000 yuan less. On learning this, the commodity prices department immediately put a stop to it and ordered them to make up for the shortfalls to the peasants.

The township and town price controllers also promptly use market price fluctuation data to guide the peasants in their production and help county and township governments to set protective prices.

Taken as a whole, however, the building of township and town price management cadres is still very weak, the institutions already set up cover only a very small area, and there are still blank areas. Therefore, the phenomena of monopolizing a trade or market and selling at "free prices" and "verbal prices" have not been curbed and the peasants have nowhere to lodge complaints. Moreover, in the course of developing the rural commodity economy, the peasants should also grasp accurate price information and receive guidance on the pricing policy lest they should be misguided by erroneous price signals and suffer economic losses.

It is imperative to change the situation whereby price controls are enthusiastically exercised in the cities but indifferently exercised in the rural areas and gradually set up township and town price management organs.

### Industry Mix Readjustment Planned

HK1508063190 Beijing JINGJI CANKAO in Chinese  
24 Jul 90 p 1

[Article by Zhou Qifu (0719 0366 3940): "It Is Necessary To Storm Heavily Fortified Positions in Readjusting the Industry Mix—10th Discussion on the Present Economic Phenomena"]

[Text] There are two major aims for improving the economic environment and rectifying the economic order that started in the fourth quarter of 1988: 1) It is essential to curtail gross supply and demand and to mitigate the contradictions between gross social supply and gross demand; 2) it is imperative to readjust the industry mix and to increase effective supply. When we look back on improvement and rectification in the past two years, the first aim has been basically achieved and the second aim still falls far short of what is expected and perhaps has not been contemplated.

#### Difficulties Are Great, Determination Must Be Even Greater

Over the past 40 years since the founding of our country, the economy has undergone major readjustment on three occasions—five years' readjustment at the end of the 1950's, readjustment as a result of the "foreign leap forward" at the later stage of the 1970's, and improvement and rectification that are now being carried out. Many economic and financial experts hold that the difficulties with which this economic readjustment is confronted are greater than on the two previous occasions. This is because:

—This readjustment involves a wide scope and the degree of difficulties is great. The present structural imbalance includes the imbalance in the proportions between industry and agriculture, the imbalance in the proportions between energy and raw materials for industry and processing industry, and the imbalance in the proportions between communications and transport capability and economic development as a whole. Moreover, the industries in which we have fallen short are backbone industries that need large investments but produce results slowly. For example, they look as if they had meat without bones and cannot easily stand up strong.

—In readjusting the industry mix, it is necessary to readjust the amount on hand (existing irrational industrial setup) and additional amount (planned additional productive capacity) in order to expedite the development of agriculture, energy, raw materials, and the communications and transport trade. This needs a large amount of investments. As our country has a large population and a weak foundation, only 20 to 30 billion yuan of the incremental national income a year can be used to increase investments. It is difficult to do things with little money.

—This readjustment is carried out under the structure that "localities are made responsible for their

finances" and on the basis of "stability is the major matter." To increase financial income and to ensure stability and unity, all places have tried in every possible way to allow their factories to operate. "Let smoke rise from the chimneys first." They have to ignore (but may possibly not willingly carry out) the readjustment of the structure.

Over the past one year or more, the phenomenon of "much said but little done" in the readjustment of the industry mix throughout the country has been conditioned by these difficulties. However, the difficulties should not shake our determination to carry out readjustment. Every time, our country readjusted the economic structure after it had overcome the great difficulties at that time. Although the difficulties are great, we must make our strides forward even more solidly in meeting difficulties head-on.

#### It Is Currently a Good Opportunity for Readjustment

It is currently a good opportunity for the readjustment of our country's industry mix: The people throughout our country long for stability and expect that our country can extricate itself from an economically difficult position and this creates a good social environment for readjustment. The urban and rural markets are stable with a fairly large stock of materials and commodities and this provides indispensable conditions for readjustment; in the second half of last year, the structure of the markets throughout the country was weak, a large amount of old products were unmarketable, and a large number of enterprises suspended production or partially suspended production so as to make the people clearly understand the necessity of readjusting the industry mix.

To excel in storming heavily fortified positions in readjusting the structure, a current pressing matter is to strengthen the consciousness of the departments in charge of the economic work at all levels and enterprises concerned for participating in the battle and to enhance their understanding of the necessity and urgency of readjustment. The hope that old products will become marketable again when the market revives will definitely come to nothing. Since the beginning of this year, many places have put a large amount of funds in the enterprises which produce backward products, with the result that the more some places carry out "improvement," the more seriously enterprises are "sick"; and the more the enterprises produce, the more their products are overstocked. It is now really the time for the readjustment of the structure. Only by resolutely "cutting the supply of feed and medicines" to those "sick horses" which have no prospects, on the basis of the state industrial policy of maintaining and reducing, can we enable the new marketable products to have the necessary funds and raw materials.

We cannot wait and see, nor can we talk without making a decision. All places must have their own specific plans and programs. Leading comrades of the central authorities have recently emphasized that socialist countries

must use economic measures and planned and administrative measures to readjust their industry mix. In the course of this readjustment, it is necessary to adopt many kinds of measures to close those enterprises, including small cotton textile mills, small cigarette factories, and small wineries, which consume much but produce goods of poor quality and should have been closed many years ago.

To reduce social shock and waste of materials in readjusting the industry mix, it is essential to advocate that enterprises should be closed less often, their operation should be suspended less, they should be amalgamated with other enterprises more, they should be switched to the increased manufacture of other products, fewer new enterprises should be built, and the existing enterprises should be further transformed. The limited additional amount should be used to make the large amount on hand work. It is imperative to really increase the analogical transformation to ensure the continuous appearance of new products on the market.

To guarantee the smooth progress of readjustment, it is necessary to promptly formulate the necessary corresponding policies. The system of social security, including unemployment relief, which suits the national conditions of our country, should be implemented as soon as possible.

Regarding the repeated appearance of the readjustment of the economic structure after the founding of our country, people cannot help asking: How can our country's economy take the road of unremitting, stable, and coordinated development? The answer is: Let the law of value be brought into play.

#### Straightening Out Price Relations Is the Key

In the initial period of the founding of our country, we imported a highly concentrated economic pattern from the Soviet Union. Although we concentrated manpower, material resources, and financial resources to build a large number of backbone and key projects and laid a foundation for the economic development of our country, this pattern ran counter to the law of value and became the root cause of the unbalanced economic structure. In the past 10 years of reform and opening up, through financial reform, nearly half of the investment power has been delegated to lower levels but price reform cannot catch up with it. In their own interests, the local governments have nearly taken the same action without prior consultation to invest their funds in the processing industry with high profits and quick results. The proportion of the manufacturing industry in the industries of the whole country rose from 52.5 percent in 1978 to 56.7 percent in 1988 but the investments in agriculture and communications, energy, and the raw material industry which take a long time to build and have no profits have been reduced. Our "double track system" of prices now in force runs counter to the principle of equal exchange. The average prices of the products, including electricity, coal, and metallurgical and chemical industrial products,

which are more important and in greater demand and more of which are allocated according to plans, are lower; while the products, including light industrial and textile products, which are in excess supply and few of which are allocated according to plans, can sell in the market at a high price. Prompted by interests, the state of our unbalanced economic structure is unavoidably aggravated.

Actively and safely carrying out reform of the price system, gradually making the prices of all kinds of commodities reflect their value and the relations between supply and demand, and readjusting the people's intention of investment through prices is the only way to build a rational industry mix and to realize stable and coordinated economic development. At present, the conditions of our country for carrying out an all-around price system reform are still immature; on the other hand, we must correctly seize the opportunity to selectively straighten out or partially straighten out the prices of some commodities so that many small victories can add up to a big one and structural readjustment can be promoted.

#### \$1 Billion Invested in Agricultural Projects

HK1508033090 Beijing CHINA DAILY in English  
15 Aug 90 p 1

[By staff reporter Wang Dongtai]

[Text] China has invested some 5 billion yuan (\$1.06 billion) in agricultural projects this year, more than twice the 1988 figure, as part of an ongoing effort to increase farm production.

Of that sum, about 1.5 billion yuan came from the central government and another 1.5 billion yuan (\$320 million) from local governments. The Agricultural Bank, the People's Bank, and local farmers made up the remainder, according to Li Xuyou, deputy director of the State Council's Comprehensive Agricultural Development Office.

The money was invested in 36 major projects to control soil erosion, irrigate farmland, and develop grain production, animal husbandry and fisheries.

Production of grain, cotton, and edible oil was given priority, Li said.

China's agricultural production increased rapidly between 1978 and 1984. From 1984 until 1988, however, output of grain remained at about the same level or even declined in some areas. Former Agriculture Minister He Kang attributed the sagging output to a lack of emphasis on agricultural production during those years.

Because money and materials were being directed into industrial projects, agricultural production slowed down and eventually could not meet the country's needs, Li said.

By 1988, the country's grain output fell short of the 1984 figure; because of population growth, per capita production actually decreased by 30 kilograms. Faced with the continuing problems of soil erosion, poor irrigation, and lack of modern technology and machinery, the government decided to increase investment in agriculture.

In 1988, some 2 billion yuan (\$425 million) was invested in 10 projects in the Northeast, in the Huang-Huai-Hai river basin, and in Zhejiang Province and the Xinjiang Uygur Autonomous Region.

As a result, output of grain in the project areas increased by 2.5 billion kilograms in 1989, Li said.

Nationwide, China's output of grain increased for the first time since 1984, reaching some 407.9 million tons.

Agricultural projects will continue to receive 1.5 billion yuan from the central government each year for the next several years, Li said.

To date, 36 projects have been initiated nationwide. They include a soil conservation project in the upper reaches of the Yangtze River, vegetable-growing projects in large and medium-sized cities, a project to reform low-yield edible oil farms, and a grassland reformation project.

At present, Li said, the project areas constitute only a small part of China's total farmland and therefore have not had a major effect on the nation's agricultural production.

Even within the project areas, improvement will be gradual. Irrigation projects, including digging of wells and canals and building of bridges and roads, will improve growing conditions. Improved drainage and newly planted trees will protect the environment and prevent erosion.

At the same time, the use of new technology and the introduction of improved seed types and breeds of poultry will increase output.

Barring natural disasters, Li said, good harvests can be expected from the project areas for at least 10 to 20 years.

### Summer Grain Purchases Exceed Quota

HK1608021890 Beijing CHINA DAILY in English  
16 Aug 90 p 1

[By staff reporter Zhang Ping]

[Text] Government agencies have already exceeded their quotas for summer grain purchases, and are now negotiating with farmers to buy more of this year's record harvest.

As of August 5, farmers had sold 13.29 million tons of summer wheat to government granaries—101 percent of the amount specified in their government contracts, CHINA DAILY has learned.

Seven of China's 13 major grain-producing areas—including Hebei, Jiangsu and Zhejiang provinces—have already exceeded their contracts for summer grain and five others are expected to do so, according to He Songsen, an official from the purchasing department of the Ministry of Commerce.

Only Anhui and Hubei provinces, which had been hit by natural disasters, would not fulfill their contracts, He predicted.

China's summer grain crop hit a record 99.35 million tons this year, six percent higher than last year's figure, which was the highest on record.

Since 1987, apart from purchasing grain under contract, the government has also bought large quantities of grain from farmers at negotiated prices, which are higher than the contract price. Contract sales have generally accounted for about 12.5 percent of the overall grain crop.

This year the government planned to purchase as much grain from farmers at a negotiated price as it had contracted for, according to He.

But because the negotiated price is tied to the market price, which has been dropping, farmers may actually receive less money than they did last year.

Two years ago, the negotiated price of grain was almost three times the contract price; this year, the average negotiated price would be less than double the contract price, officials said.

Because of lower crop prices, the net income of Chinese farmers during the first half of this year dropped by four percent compared with the same period last year, according to a recent report from the State Statistics Bureau.

In a circular issued last week, the State Council urged government departments to purchase as much grain as possible from farmers in order to maintain their initiative.

The circular criticized departments which had refused to buy surplus grain, and promised that if local governments could not handle the surplus, the central government would purchase grain from the farmer at "protective prices."

However, He admitted that in some areas the problem of "hard-to-sell" grain still existed, causing a shortage of funds and a lack of storage space.

### JINGJI RIBAO Commentator on Grain Work

HK1608023390 Beijing JINGJI RIBAO in Chinese  
27 Jul 90 p 1

[Commentator's article: "On Grain Work"]

[Text] People value their daily food above everything else. The grain issue has an impact on the overall

## NATIONAL AFFAIRS

situation of the national economy and is an important guarantee to maintaining social and political stability as well as promoting steady and harmonious development. Therefore, it is vitally important to do grain work well and to procure all surplus grain peasants want to sell to ensure the state has sufficient grain to supply various needs.

To do grain work well, it is primarily necessary to acquire a correct view of China's grain situation. Since the beginning of last year, all places have adopted effective measures to develop grain production; as a result, grain output in 1989 hit a record high. The state increased its grain procurement, and reduced marketing and increased stock. Grain prices in the market were steady with some cutbacks, and the people's livelihood in urban and rural areas, especially those people in disaster-afflicted areas, were guaranteed. These conditions have constituted the bright side of China's grain situation. A full understanding of this bright side is the basis for a correct assessment of the grain production and marketing condition since the beginning of last year as well as the important grounds for our confidence in grain development from now on.

Nevertheless, we cannot but see that with the population increase, China's per capita grain possession volume is lower than the level of developed countries and is even lower than that of China itself in 1984, when a good level was reached. Viewing the general condition, the situation by which China's general grain demand volume exceeds the general supply volume has not undergone a radical change. The state must continue to import some grain every year. A noteworthy issue is that the phenomena by which peasants have "difficulty in selling their grain," grain departments have "difficulty in storing grain," and blocking the channels between grain producing and marketing areas have surfaced in some major grain-producing areas. If no measures are adopted to find a solution to these problems, the peasants' enthusiasm for developing grain production will inevitably be dampened, and the whole situation of the national economy will be affected. Therefore, we must maintain a sober understanding of the grain situation and earnestly draw a lesson from the stalemate of the grain situation since 1984, brace up to overcome difficulties, and do grain work well in a down-to-earth way.

Presently, it is imperative to do grain work well and grasp grain procurement well. We reaped a bumper harvest in summer grain this year, and the production situation of early rice and autumn grain is fine. All localities should lose no time in taking a firm grasp of procurement work to fulfill and overfulfill grain procurement orders. When the peasants have fulfilled grain procurement orders, it is necessary to organize grain procurement at negotiated prices, to fully meet the peasants' need to sell their surplus grain; by no means should we place restrictions on, or refuse to accept their sales. Regarding the grain procured, it is imperative to make explicit: The grain's ownership goes to the central authorities, and all localities must be subject to unified

allocation and transfer of the grain; by no means should any locality or department arbitrarily dispose of it without the State Council's permission.

Guaranteeing funds for grain procurement in a down-to-earth way is the prerequisite for doing grain procurement work well. To achieve this, banking, financial, and grain departments should work in close coordination, cooperate with each other in all-out efforts, be responsible in the division of labor under the leadership of governments at all levels; by no means should "IOU's" be issued to peasants selling grain under the pretext of insufficient money supply. Bank departments should earnestly do a good job of supplying money for grain procurement to guarantee the funds needed in placing grain orders and grain procurement at negotiated prices. Financial departments should promptly allocate funds for grain subsidies. Grain departments should actively tap internal potentials to retrieve grain transferred and marketed. The office for weeding out "debts involving enterprises" established by governments at various levels and localities should regard "debts involving enterprises" as an important essence. To accelerate circulation of funds to reduce overspending of working capital, the loans for grain should be fixed at shorter periods, and must be repaid when due. In addition, a grain balance accounts center should be set up with county as a unit.

Augmenting grain allocation and transfer are also important in doing grain work well. Areas to or from where grain is allocated and transferred should earnestly implement the plan for grain allocation and transfer, and they should not refuse to implement it because of temporary grain stock conditions. Presently, those areas with grain transferred to accepting it according to the plan should be emphasized, while those areas that have temporary grain stock conditions must take in more grain as best they can. Railway and transportation departments should go a good job of arranging grain transportation to guarantee the fulfillment of the plan for grain allocation and transportation.

A third important point in doing grain work well is to augment the administration of the grain and edible oil market. All localities should plan appropriately to gradually set up a wholesale grain market to enhance organized regulation and invigorate grain circulation. State-run grain and commercial departments should give full play to their roles as the major channel and "reservoir," to actively enhance operation in grain procurement and marketing at negotiated prices, and to make an arrangement for grain consumption in the market to guarantee the normal demand of various aspects. The grain market of country fair trade should be open all year and be further invigorated. Private operation in wholesale grain business should be strictly banned. At the same time, it is necessary to augment control over grain prices in the market to maintain basic price stability. It is imperative to prevent a sharp rise in grain prices while preventing their drastic cut which can eventually harm the peasants. Regarding grain at negotiated prices, it is necessary to fix

grain prices, while implementing the bottom line of protection prices as well as the ceiling. Industrial and commercial administrations should work in close cooperation with public security and grain departments to augment control over grain coupons, ban illegitimate and criminal activities in trading grain coupons for other products, and to severely crack down on speculation and forging grain coupons.

It is also necessary to augment control over grain marketing, regularly rectify grain marketing, 'top up' loopholes, complete and perfect institutions, and reduce irrational marketing volume. Extensive propaganda on practicing economy and using grain in a planned way should be conducted to establish the social atmosphere by which practicing economy in using grain should be honored, while wasting grain is regarded as shameful, and efforts should be exerted to reduce grain consumption as well as loss and waste of managerial departments and links.

A fourth important link in doing grain work well is to establish, complete, and perfect the grain storage system. China is vast in territory, and natural disasters in some areas are inevitable; hence, there is often an imbalance in grain output between different areas and years. Therefore, it is imperative to have sufficient grain reserves as a precaution against natural disasters to regulate supply and augment the strength of macrocontrol. This requires a greater volume to be procured and stored in those years and areas enjoying a bumper harvest. The state will gradually increase grain reserves and regulation every

year; and all provinces, autonomous regions, and municipalities should also incrementally set up their local grain reserves; at the same time, those peasant households and places where the conditions of the collective economy are better should be encouraged to store grain. In this way, a wide-ranging grain storage system will be built in China over several years, and "with grain in our hands, we will be free of anxieties." Financial and banking departments at all levels should support grain reserves with funds; where conditions are ripe, a grain reserve foundation should be gradually set up. It is necessary to expedite the pace in building granaries to ease the storing capacity shortage. Apart from building some new granaries, great importance should be attached to the maintenance and transformation of such operational installations as granaries and grain stores to tap potentials and increase storing capacity.

The grain issue involves many aspects. Governments at all levels should augment leadership in grain work in a down-to-earth way and regularly discuss ways to promptly find solution to major grain work problems. Grain organs should only be augmented and not weakened. Augmenting leadership in grain work is the most important point in augmenting grain work as well as an important experience in finding a solution to China's food problems over the past decades. Leading departments at all levels must adhere to this experience, make overall arrangements, harmonize relations, promote the steady increase in grain output, and guarantee effective social supply to make contributions to social stability and continuously harmonious development of the national economy.

**East Region****Village Benefits From Ecological Improvements**

OW1608081390 Beijing XINHUA in English  
0543 GMT 16 Aug 90

[Text] Hefei, August 16 (XINHUA)—Zhangzhuang Village in east China's Anhui Province which used to be haunted by drought and floods has witnessed a major uplift in its agricultural production and the living standards of its villagers in the past 15 years because of ecological improvement.

Grain output is now 9,600 kilograms per hectare, and per capita income has surpassed 800 yuan (about 160 U.S. dollars).

Zhangzhuang Village is located in Yingsheng County on the southern part of the Huabei plain, where farmers mainly produce wheat, soybeans and Chinese sorghum.

In the past, because of poor soil, frequent drought and floods and low grain output, farmers could not feed their families.

In the past, per hectare grain output was only 750 kilograms, and per capita income was less than 100 yuan.

The village launched a campaign to improve its ecological environment in the mid-1970s.

After more than a decade of hard work, 24 irrigation canals and ditches and six ponds have been dug. Six electric pumping stations, 24 roads for tilling machines and 12 bridges and culverts have been constructed. The village's irrigation system has been greatly improved, leading to a great increase in grain output.

The villagers have also set up 20 shelterbelts to protect their improved land. The village now has 167,000 trees of various kinds and 8,000 cubic meters of timber reserves. Tree cover has increased to 26 percent from the 6.9 percent of 1975.

They have also planted about 600-mu (about 40 hectares) of apple and pear trees and grape vines, and a nursery to breed 30 kinds of rare cypress, yulan magnolia and winter plum.

Afforestation has contributed to the 140,000-kilogram annual increase in grain output of recent years.

To improve living standards, villagers moved from 11 ancestral communities to four new residential quarters. Besides improving living conditions, the move also freed 1,005 mu (about 66 hectares) for cultivation. About 90 percent of the villagers have moved into new homes with electricity.

Industry has grown up following the changes in agriculture. The village now has 13 small enterprises, including a plastics plant, a flour mill and processing industries.

Last year, the total cash income of the village was 2.62 million yuan (about 524,000 U.S. dollars), five times the figure of the mid- 1970s.

Their achievements have attracted the attention of Chinese and foreign experts.

A United Nations organization decided to introduce the village's experience to Africa after an investigation last year.

**Jiangxi Holds Standing Committee Meeting**

HK1508042590 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 14 Aug 90

[Excerpt] The 16th Plenary Meeting of the Seventh Jiangxi Provincial People's Congress Standing Committee began in Nanchang today. The meeting is scheduled to be held for five days.

This morning's meeting was presided over by Jiangxi Provincial People's Congress Standing Committee Chairman Xu Qin, and attended by Vice Chairmen Wang Zemin, Pei Dean, Huang Xiandu, Huang Guoben, and Wang Zhongfa.

Provincial Vice Governor Sun Xiyue; Wang Shuheng, chief procurator of the provincial People's Procuratorate; responsible persons of the provincial Higher People's Court; responsible persons of various departments of the provincial People's Congress; responsible persons of various departments of the provincial People's Government; and responsible persons of People's Congress standing committees of some major cities attended the meeting as guests. Responsible persons of various democratic parties and mass organizations were also invited to attend the meeting as guests.

Zhang Zhenggang, secretary general of the provincial People's Congress Standing Committee, delivered a speech explaining the agenda of the meeting.

Huang Zhiqian, director of the Jiangxi Provincial Planning Commission, delivered a "Report on Implementation of Jiangxi Provincial National Economic Development Plan in the First Half of 1990."

Hua Chongzhuo, director of the provincial Finance Department, delivered a "Report on Implementation of Jiangxi Provincial Financial Budget in the First Half of 1990."

Wang Jiren, director of the provincial Agriculture, Animal Husbandry, and Fishery Department, delivered an "Explanations on Draft Regulations on Management of Peasants' Burdens."

Zhou Sidi, director of the provincial Construction Department, delivered "Revised Regulations on Levying Financial Taxes."

Sun Shuzhen, director of the provincial Public Security Department, delivered a "Report on Public Security Work and Social Order Management." [passage omitted]

**Shanghai Ex-Propaganda Chief Faces Expulsion**

*HK1608055190 Hong Kong MING PAO in Chinese  
16 Aug 90 p 6*

[“Special report” from Shanghai: “Pan Weiming, Former Head of Shanghai Municipal CPC Committee Propaganda Department, Faces Expulsion From the Party for Supporting Pro-Democracy Movement”]

[Text] Pan Weiming, former head of the Shanghai Municipal CPC Committee Propaganda Department and secretary of the CPC Committee of the Shanghai Municipal Press and Publications Bureau, is facing expulsion from the party after being temporarily relieved from his post. He has been under investigation for more than a year for his active support of last year's student movement and pro-democracy movement. Pan Weiming is the most senior government official purged in Shanghai since last year's “4 June Incident.”

Informed sources said the Shanghai Municipal CPC Committee Propaganda Department had criticized Pan Weiming by name several times at the city's party member representatives meetings for his errors in last year's “riots” and suggested to the municipal party committee that he should be expelled from the party; but the party branch to which Pan Weiming belongs has not yet agreed with the suggestion. In this connection, the propaganda department has once again sent its officials to the city's press and publications bureau to persuade the grass-roots unit to make a decision on the expulsion of Pan Weiming from the party as soon as possible and submit the decision to higher authorities for approval.

Pan Weiming, now 41, a young cadre who became an upstart in the political arena on the mainland in recent years, is believed to have close ties with Hu Qili, former member of the CPC Political Bureau Standing Committee.

Pan Weiming, whose original family home is in Wenling, Zhenjiang Province, was born in Shanghai. During the Cultural Revolution, he was educated in the rural areas of Jinggangshan for five years and worked as a worker for two years. He enrolled at the Department of Chinese Language and Literature of Beijing University when he was 28 years old. He was elected chairman of students' union of the Department of Chinese Language and Literature when he was a sophomore, and the following year he was even elected chairman of the students' union of Beijing University. He graduated from Beijing University in 1982 and remained at the school in charge of work relating to students. He was transferred to Shanghai in 1984 as head of the propaganda department office of the Shanghai municipal party committee because of his remarkable job at Beijing University, and two years later he was promoted to head of the Shanghai Municipal CPC Committee Propaganda Department. During his tenure of office, he participated in the work of mapping out the “strategic plan for cultural development of Shanghai Municipality,” which was taken seriously by the CPC leadership.

Nevertheless, with Hu Yaobang's fall from power in 1987 and the rise of the anti-spiritual pollution campaign, Pan Weiming was transferred to a lower level and worked as deputy secretary of the Shanghai Machinery and Electrical Appliance Plant. After a long span of silence, he staged a comeback in 1988 and was promoted to secretary of the Shanghai Press and Publications Bureau Party Committee.

At the forum held on 17 April 1989 by the paper SHIJIE JINGJI DAOBAO and the magazine XINGUANCHI of Shanghai in Beijing to mourn the death of Hu Yaobang, Pan Weiming delivered a speech. Later, he launched the signature drive to collect 10,000 signatures from among party members at a Shanghai rally and pledged support for the Beijing students' movement and urged the central authorities to hold dialogues with the students. After “4 June,” finally he was temporarily relieved from his post for investigation, and the aforementioned two things were regarded as “proof of his guilt.”

**Zhejiang, Shanghai Deepen Cooperation**

*OW1408222790 Shanghai JIEFANG RIBAO in Chinese  
8 Aug 90 P 1*

[Text] The cooperation between Shanghai Municipality and Zhejiang Province, which have traditional friendly ties, has advanced to a new stage in the wake of developing Pudong and deepening the reform and opening to the outside world. The Shanghai Municipality People's Government and the Zhejiang Provincial People's Government yesterday afternoon signed the minutes of a meeting on further strengthening economic cooperation.

The Zhejiang provincial delegation, with Governor Shen Zulun as the head, Vice Governor Wang Zhonglu as the deputy head, and Vice Chairman of the Standing Committee of the Zhejiang Provincial People's Congress Wu Minda as the adviser, was in Shanghai on a friendly visit from 5 to 8 August. During their visit to Shanghai, they were warmly welcomed and received by the Shanghai Municipal People's Government. Zhu Rongji, Huang Ju, Ye Gongqi and other leading comrades of the party and government met with members of the governmental delegation of Zhejiang Province. Both sides held cordial talks on further strengthening economic cooperation between the province and the municipality.

The minutes, which were seriously discussed by the two sides, pointed out that Shanghai and Zhejiang, being close in proximity and intimate in people's relationship, possess a traditional friendly tie. For many years, the province and the municipality have established a wide range of cooperation with outstanding results on the basis of mutual benefit and joint development. The Zhejiang side held that since the Third Plenary Session of the 11th CPC Central Committee, the experience acquired by Shanghai, which is the economic center of the nation, through probing into new things in the course of carrying out reform and opening to the outside world, in economic development, and especially in readjusting

production structure, promoting scientific and technological progress, and further developing export-oriented economy, has been very inspiring to Zhejiang. The Shanghai side held that Zhejiang is one of the economically developed provinces in the coastal region of China, well-developed in processing industries, and relatively more solid in scientific and technological education. Over a long period of time, Zhejiang has given Shanghai vigorous support in the supply of materials and agricultural and sideline products. For this, Shanghai expressed its sincere appreciation.

Both sides were of the opinion that the development and opening up of Pudong is an important decision by the CPC Central Committee. It is not only conducive to further developing Shanghai into a base for mostly export-oriented modernized industries and a center of finance, trade, science and technology, and culture and information, but it is also favorable for promoting the Changjiang delta's further opening to the outside world and the economic development and prosperity of the Changjiang Valley. The Zhejiang side expressed that it endorses and supports the Party Central Committee's decision to develop Pudong. Based on the principle of "coordinating positively, taking the initiative to provide services, benefitting and supplementing each other, and developing jointly," it will offer Shanghai services and cooperation in the following six aspects:

First, on the premise of the state's unified planning and reasonable division of work of ports, it will make use of the deep-water harbor of Zhejiang to serve Shanghai. Second, it will develop construction materials of good quality for Shanghai. The departments of construction materials in Zhejiang have already put forward 10 cooperation projects, including cement and cement products, sand and gravel, and ceramics, for Shanghai to choose from. Third, it will organize a high-quality and versatile construction contingent to provide labor services for Shanghai. Fourth, Zhejiang will readjust its industrial structure and technological transformation in line with the readjustment of production structure in Shanghai and accept the transfer, relocation, and assembly of part of Shanghai's processing work. Fifth, it will develop its scenic resources and provide a tourist base for those taking part in further opening Shanghai and developing the Pudong area. Sixth, it will set up a number of supplementary food bases in areas near Shanghai to meet the increasing demand for supplementary foodstuffs in the development of Pudong.

The Shanghai side expressed appreciation for the intention of cooperation put forward by Zhejiang, and actively organized relevant departments to discuss specific ways of cooperation. In developing Pudong, Shanghai firmly advocated the "Chinese brand." It warmly welcomed Zhejiang and other fraternal provinces to come forward to invest in and jointly develop Pudong, and to make good use of this window to further develop lateral economic association and cooperation.

Shanghai Vice Mayor Gu Chuanxun and Zhejiang Vice Governor Wang Zhonglu affixed their respective signatures to the minutes of the meeting.

After the signing ceremony, Zhejiang Governor Shen Zulun made an impromptu speech. He said: Our province and the Shanghai Municipality have fulfilled a job of historical significance, which is worthy of celebration. This marks the success of our visit and opens up the road for all-round cooperation in the future. In the past few days, we have been moved and greatly encouraged by the profound sentiments of friendship shown by the people of Shanghai. We have been brought closer now than ever before. We welcome comrades from Shanghai to come and visit us at the earliest date, and to raise our ties of cooperation to a new level. Then, Vice Mayor Huang Ju said: The Zhejiang delegation has visited Shanghai during such hot weather in order to exchange experience and explore ways of reform. This has given us great encouragement. The publication of the minutes of the meeting marks a new starting point of relations between the two locations. The minutes are rich in content, with both flexible and practicable aspects. We must put them into effect in a concrete manner so as to bring about a greater development to the economy of the two places in the 1990's. We are very happy to have made the acquaintances of many cadres of prefectures and cities in Zhejiang this time. Hereafter, we must constantly maintain contacts and help each other so that both sides can take off like eagles toward common prosperity. Wu Mingda, vice chairman of the Standing Committee of the Zhejiang Provincial People's Congress, also spoke at the meeting.

Other leaders on the Shanghai side who were also present at the signing ceremony were Hu Chuanzhi, vice chairman of the Standing Committee of the Shanghai Municipal People's Congress; and Shanghai Vice Mayors Liu Zhenyuan, Ni Tianzeng, and Xie Lijuan.

Yesterday morning, the delegation, accompanied by Huang Ju and Gu Chuanxun, visited Minghang and Zaohejing development zones. The Zhejiang provincial delegation will leave Shanghai for Hangzhou this afternoon.

### Zhejiang City To Crack Down on Shoddy Goods

HK1608020890 Beijing CHINA DAILY in English  
16 Aug 90 p 1

[By staff reporter Xie Liangjun]

[Text] Wenzhou—The authorities in this port city have responded quickly to a central government call to crack down on unlicensed, shoddy and counterfeit products in a bid to regain its hard-won commercial fame.

And the city's latest attempts to improve its business image in the country have achieved initial success, with complaints from consumers markedly decreased, local officials told CHINA DAILY.

They said related departments of the Wenzhou City Government had sent several thousand officials to inspect and hunt down shoddy and imitation goods in response to a circular issued in June by the State Council.

Wenzhou, the "boom town" in East China's Zhejiang Province, had become well-known for its mushrooming rural industry and prospering market trade, especially since it was opened to foreign trade in the late 1980s.

But in recent years, many collectively and individually-run factories in the city—and especially in Leqing County—had manufactured and sold unlicensed and poor-quality products on home markets regardless of the State's laws and regulations, thus infringing upon the interests of millions of consumers, the officials said.

A special leading group had been sent to Leqing County for an inspection tour. The group had organized exhibitions in the country to expose shoddy and imitation products as well as misleading advertisements, the officials added.

The Party head of Yongjia County—an area notorious for its false and misleading advertisements for a time—expressed his determination to stem the resurgence of the practice by saying that if he failed he would resign.

So far the country had examined 251 enterprises using false advertisements, made 11 arrests and revoked the business licences of 101 factories, the officials said, adding that they had also returned 186,000 yuan (\$39,400) to more than 1,600 victims of the advertisements throughout the country.

Wenzhou's ongoing battle is part of a nationwide effort to stamp out shoddy and low-quality products.

#### Correction to Jiangsu Party Leaders Visit

OW0908021090

The following corrections pertain to the item headlined "Jiangsu Party Leaders Visit Military District," published in the 8 August China DAILY REPORT, pages 47-48:

Sourceline make read: ...RIBAO in Chinese 29 Jul 90.... (changing "20" to "29")

Paragraph one, second sentence, make read: ...Geng Guangyi [5105 1639 5030], and Ling Guangye [0407 1639 2818], member of.... (changing "1684" to "1639" in both cases)

#### Central-South Region

##### Over 150 Firearms Seized in Shenzhen

HK1508141390 Hong Kong TA KUNG PAO in Chinese 15 Aug 90 p 1

[Special Dispatch: "Over 150 Firearms Have Been Seized in Shenzhen"]

[Text] Shenzhen, 14 Aug (TA KUNG PAO)—Since the promulgation of the "Notice on Thoroughly Seizing Firearms, State-Controlled Cutting Tools, and Explosives" in mid-July, Shenzhen City has seized 153 privately held firearms, such as pistols, electric guns, imitation toy guns, and powder guns, as well as air guns and hunting guns that have not been registered or for which certificates have not been obtained. It has also seized 572 state-controlled cutting tools, such as daggers, spring knives, and bayonets, 396 bullets of different kinds, and some explosives. Twenty-four people, who gave themselves up to the public security organs, have been exempted from prosecution.

At yesterday's news briefing, a responsible person of the city public security bureau announced the aforementioned news for up to the 13th of this month. He also said: With the approval of the city people's government, the deadline of the notice is to be extended from 15 August to 10 September.

#### Hainan To Continue Development of Yangpu

HK1608081590 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 16 Aug 90 p 3

[By Cheung Lai-kuen]

[Text] The Hainan provincial government will continue development of Yangpu port and seek other foreign investment, according to the governor, Liu Jianfeng.

This was despite there being no confirmation from the largest potential individual investor, Kumagai Gumi (Hong Kong), of the company's wishes to take part in the project, Mr Liu said.

Mr Liu said in Haikou that because of Yangpu's geographic advantages, Hainan was not worried about the projects for the developments.

Li Xingjiu, spokesman for the Office of the Yangpu Development Zone, said the 30-sq-km Ganchong site regarding which Hong Kong-listed Kumagai had signed letters of intent with Hainan was only part of the Yangpu Development Zone.

Mr Li said Yu Ching-po, deputy chairman and managing director of Kumagai Gumi (Hong Kong) had not visited Hainan since April.

But he said his office understood Mr Yu's caution about signing a development contract with Hainan was due to the worldwide unfavourable climate on China after June last year.

The backers for Kumagai's Yangpu plan were industrialists in Japan. Kumagai was only the land developer.

Kumagai could not make the final decision on the Yangpu project because Japanese investors were still cautious about investments in China, Mr Li said.

Mr Li said that unless Hainan received formal notice from Kumagai that it had decided to withdraw from the project, Hainan would reserve the Ganchong district for Kumagai.

He said this was despite a number of Taiwan and American investors having expressed interest in the site.

Mr Li said Hainan had set a deadline for Kumagai to sign a contract, but he refused to disclose a date.

### **Hebei Province Capital To Build New Airport**

*OW1508151790 Beijing XINHUA in English  
13:35 GMT 15 Aug 90*

[Text] Wuhan, August 15 (XINHUA)—Construction of Tianhe International Airport is now under preparation in Wuhan, the capital of central China's Hebei Province.

The airport, to be built on more than 66 ha at a cost of 40 million yuan, will be able to handle 1,700 passengers per hour during peak periods. Annual handling capacity will be 4.2 million passengers and 330,000 tons of freight.

The first phase of the project will soon begin.

### **Southwest Region**

#### **Guizhou Uses World Bank Loan for Afforestation**

*OW1408184490 Beijing XINHUA in English  
14:18 GMT 14 Aug 90*

[Text] Guiyang, August 14 (XINHUA)—Guizhou Province in southwest China has started to draw on its share of a 300-million-U.S.-dollar World Bank loan to support afforestation in China.

The World Bank loan will be used to afforest 985,000 hectares in 16 provinces and autonomous regions. Hebei and Hainan Provinces have already begun their programs.

Nine counties in three of Guizhou's prefectures are planning to afforest 40,000 hectares of land over the next six years.

It is estimated that the afforestation program will increase timber reserves by seven million cubic meters and provide six million cubic meters of timber.

#### **Guizhou Economic Coordination Meeting Ends**

*HK1508010990 Guiyang Guizhou Provincial Service  
in Mandarin 2200 GMT 12 Aug 90*

[Text] The Seventh Economic Coordination Meeting of Five Southwestern Provinces and Regions and Two Southwestern Cities concluded in Guiyang on 11 August.

Delegations from Chongqing City, Sichuan Province, Tibet Autonomous Region, Guangxi Autonomous Region, Yunnan Province, Chengdu City, and Guizhou

Province, responsible persons of the relevant departments of the State Council, and comrades from Hunan Province attended the closing session.

The closing session was presided over by Liu Zhengwei, secretary of the Guizhou Provincial CPC Committee and concurrently chairman of the Coordination Meeting.

The closing session adopted the following documents:

1. "Summary of the Seventh Economic Coordination Meeting";
2. "Several Principles of the Economic Coordination Meeting";
3. "A Review of Work of the Coordination Meeting";
4. "Opinions on Future Work".

The closing session also adopted in principle the following two documents:

1. "Report of the Seventh Economic Coordination Committee to the CPC Central Committee and the State Council";
2. "Opinions on Southwest China's Economic Development."

Comrade Liu Zhengwei delivered a concluding speech at the closing session. He said that the meeting is aimed at strengthening economic cooperation and promoting common development among all the five parties concerned in the 1990's. The meeting summed up past experiences of all the seven parties concerned, enhanced understanding among all concerned, and formulated new development plans. The successful conclusion of the meeting will undoubtedly promote a sustained, steady, and coordinated development.

He said that practice over the past few years has borne out that the guiding ideology of developing lateral economic associations among all concerned, the policy of self-reliance, multilateral cooperation, state assistance, and common development, and the principle of developing one another's advantage, benefiting one another, and promoting common prosperity—all of which were formulated by the economic coordination meeting—fully conform with the realities in southwest China and have enriched the central government's experiences in establishing lateral economic associations among various regions. Therefore, all concerned should further strengthen leadership over the economic coordination meeting, further emancipate the mind, continue to implement the principle of reform, opening up to the outside world, and economic invigoration, carry out more explorations, expand multilateral cooperation, strengthen relations of multilateral cooperation, and strive to achieve greater economic development in southwest China in the 1990's.

The closing session announced that all the seven parties attending the meeting have reached a consensus on strengthening cooperation in the following spheres: 1.

Agriculture; 2. communications and transport; 3. development of areas inhabited by ethnic minorities; 4. development of tourism; 5. capital construction; and 6. financial cooperation.

The closing session also announced its decision to hold the Eighth Economic Coordination Meeting in Chongqing City in 1991.

### **Further on Meeting**

*HK1508013790 Guiyang Guizhou Provincial Service  
in Mandarin 2200 GMT 12 Aug 90*

[Text] At a news briefing held in Guiyang on 11 August, Xi Yanggui, secretary general of the Seventh Economic Coordination Meeting of Five Southwestern Provinces and Regions and Two Southwestern Cities and concurrently secretary general of the Guizhou Provincial People's Government, proclaimed the successful conclusion of the economic coordination meeting.

Comrade Xi Yanggui said that the Seventh Economic Coordination Meeting has mainly achieved the following three major successes:

1. The meeting fully affirmed the achievements made over the past six years, consciously summed up the basis experiences gained over the past six years, and unanimously held that economic coordination meeting attended by neighboring provinces and regions is an effective way of developing regional economy, integrating a planned economy with market regulation, and promoting the development of southwest China. The meeting also discussed specific ways and means aimed at speeding up economic development of southwest China, brought into full play regional advantages of southwest China, and pushed ahead with lateral economic cooperation among various neighboring provinces and regions;

2. The meeting further expounded the importance and urgency of speeding up development of southwest China, as well as the basis of and favorable conditions for development of southwest China, and reached a consensus on some major policies regarding the industrial development of southwest China. The meeting held that in order to speed up economic development of southwest China, it is necessary to continue to implement to the letter policies of reform and opening up to the outside world, develop the spirit of hard work and self-reliance, strengthen unity and coordination, strengthen provincial and regional self-accumulation and self-development capabilities under the support of the central authorities;

3. All the seven parties concerned have reached a consensus on jointly developing the power industry, the coal industry, the metallurgical industry and formulated some specific policies in this regard after carrying out exhaustive consultation and discussion. The seven parties concerned also signed a total of 151 joint development contracts, of which 40 are joint development or joint operation projects and 88 are technological cooperation projects, involving a total of 130 million yuan

and a total of 31 million yuan respectively. Guizhou Province signed a total of 45 cooperation contracts with six other provinces, regions, and cities.

Comrade Xi Yanggui said that responsible persons of the relevant departments of the State Council pledged to support the seven parties concerned in exploiting their resources. At the meeting, they also put forward a large number of constructive and valuable proposals aimed at strengthening lateral economic cooperation and promoting common development among the seven parties concerned.

### **Yunnan Minorities Progress in Birth Control**

*OW1508100190 Beijing XINHUA in English  
0747 GMT 15 Aug 90*

[Text] Kunming, August 15 (XINHUA)—The fact that arable land shrinks each year while population keeps growing makes the old saying that goes "more sons, more joy" not so popular these days with the 12 million ethnic-minority people in southwest China's Yunnan Province.

With arable land of about half a mu (about 0.033 ha) each, the Yi inhabitants of several villages in Tayao county along the Jinsha River, on the upper reaches of the Yangtze River, voted for the one-child policy eight years ago and still keep to this policy.

In 1989 the natural population growth rate for Longpan township in Lijiang county inhabited by 180,000 of the 200,000 Naxi minority people was as low as 9.4 per thousand, about 4.9 per thousand lower than the national average of 14.3 per thousand, according to He Xiuyuan, the township's professional family-planning worker.

China's one-child policy is applied to majority Han people only; for ethnic minority people in Yunnan Province the provincial government permits each family to have no more than two babies. Three babies is permitted only if the first two suffer serious illness or their parents live in border or cold mountain areas.

Out of 200 babies born last year in Longpan township, 104 are first children, 91 were second children and only five were third children authorized by the local government because of serious illnesses suffered by the first two.

For five years now, no family in the township has violated the two-child policy.

A similar case is found with the 50,000 workers and staff members in the Naxi autonomous county of Lijiang. In the past 11 years the natural growth rate for the county has remained below 10 per thousand.

Due to the shrinking arable land, the people's congresses (legislature) of Lijiang county and the Yi autonomous

prefecture of Chuxiong have passed bills which allow people in cold mountain areas to have no more than two babies.

"Revitalization of the Naxi nationality depends on the quality of its population, not the quantity," said He Deyuan, head of Lijiang's family planning committee.

Statistics show that in past decade birth control has brought about a drop of 230,000 in the population growth in the prefecture compared to the previous decade, accounting for 10 percent of its population.

There are 24 ethnic minority nationalities in Yunnan Province, with a population of about 12 million, one third of the total in the province.

Experts say that in the next 50 years the population of the ethnic minority nationalities in Yunnan Province will reach 25 million.

"Birth control is still an arduous task," said Ou Zhenkang, head of the provincial family-planning committee.

The natural population growth rate was increased by two per thousand because ethnic minority teenagers get married too early and have babies too early, according to Ou Zhenkang.

It is a custom in some remote areas inhabited by ethnic minorities for boys and girls to get married as soon as they are 14 years of age.

A sample survey shows that 50 percent of young people in some remote mountain areas get married too early.

The customs of some ethnic minorities, however, help the birth control work.

In Pingpa prefecture the status of women of the Dai nationality is higher than that of the men. People in that area believe that one son or one daughter is enough. Women of child-bearing are usually willing to have sterilization operations or use contraceptives even if their first two children are girls.

Religions also influence birth control, said Ou Zhenkang, the provincial official in charge of birth control.

Besides believing in Buddhism and Christianity, ethnic minority people have primitive religions which all require their believers to have a flourishing population.

However, things are changing these days.

Ou said that out of nearly 400,000 Lisu, Bai, Nu and Derung ethnic minority people in the Lisu autonomous prefecture of Nujiang, many people are Christian. Some preachers and other Christians have taken the lead in birth control and preach the state family-planning policy.

Wuji Chaiba, a preacher in Tuanji village in Lushui county, Ou said, convinced his four daughters and two daughters-in-law to have sterilization operations after

each of them had a baby. In the past four years 415 other families in the village have followed this example and none has more than two babies, according to Ou.

### Economic Committee Boosts Regional Development

OW1508083990 Beijing XINHUA in English  
0739 GMT 15 Aug 90

[Text] Guiyang, August 15 (XINHUA)—One of the earliest coordinated regional economic organizations in China's program to reform its economic system—the Economic Coordinating Committee of Southwest China Areas—is boosting economic coordination and development in southwest China.

The committee was organized in 1984 to improve supplies in the area and speed up the development of southwest China. In the past six years, the seven participating provinces, regions and cities have signed 9,275 contracts, 4,468 of which have gone into effect. They have contracted 160 co-operative projects on energy resources and mineral products, of which 105 have 1 million yuan investment each. All these contracts involve an investment of 1.21 billion yuan.

A regional transportation system connecting each member has been finished and 38 highways have opened traffic. The Chengyu and Guikun electric railway transformation projects have been basically finished. The Chuanqian and Nankun railway lines are under construction. Fangcheng and Beihai harbors with an annual handling capacity of 6 million tons have almost been finished. A Southwest China Airline Corporation has been set up.

Exchanges of fine varieties of rice, tea, and silkworms have been made and cooperation to reform methods of cultivation, study the prevention of epidemic diseases in domestic animals and develop natural fruit is under way.

Furthermore, a multi-channel market system is forming. An annual trade fair is held on a rotating basis. The average yearly volume of trade in the region is now more than four billion yuan.

Economists say the southwest has good resources and development bases. Development in the region will not only speed up economic improvement in minority nationality areas, but also help the country adjust its industrial structure.

Southwest China, on the upper reaches of the Yangtze, Xijiang, and several transnational rivers, is the largest and most populous of China's economic development districts. Its strategic location puts it in the forefront of Chinese opening to the outside world. It has contacts with South Asia and Southeast Asia and land water ports, continental river ports and ocean harbors.

## North Region

### Asian Games Flame Ceremony Set for 22 Aug

OW1608115090 Beijing XINHUA in English  
1052 GMT 16 Aug 90

[Text] Beijing, August 16 (XINHUA)—The Asian Games flames igniting ceremony will be held in Beijing's Tiananmen Square on August 22, it was announced at a press conference here today.

The flame, kindled by a 15-year-old Tibetan girl through focused sunshine by a peak of the Himalayas on August 7, will be used to ignite four torches by a government leader of China at 8 o'clock next Wednesday.

Officials of the 11th Asian Games Organizing Committee, representatives from member organizations of the Olympic Council of Asia (OCA), famous Chinese athletes and some other Chinese Government officials will attend the igniting ceremony.

The four torches will be sent by air to four cities—Urumqi, Lhasa, Harbin and Haikou, all of which are capitals of China's remote provinces and autonomous regions.

After the one-month torch relay in China's 30 provinces, autonomous regions and municipalities with a total distance of more than 20,000 kilometers, the four torches will return to Beijing on September 20 when a final hand-over ceremony is held.

The giant games flame will be ignited at the opening ceremony on September 22 in the Beijing Workers' Stadium, the main stadium of the 16-day Asian Games.

### Hebei Advisory Commission Work Report

SK1608071190 Shijiazhuang HEBEI RIBAO  
in Chinese 19 Jul 90 p 2

[Text] At the fourth Hebei Provincial party congress, the provincial Advisory Commission submitted a written work report to the session. The "report" first reviews work during the past five years.

1. The provincial Advisory Commission put forward some suggestions for implementing the central principles and policies and for carrying out the work of the provincial party committee. During the past five years, the provincial Advisory Commission made arrangements for convening 11 plenary meetings, offered suggestions to the provincial party committee through various forms, and displayed the role as an assistant and adviser to the provincial party committee. First, all Advisory Commission members attended the plenary meetings of the provincial party committee as observers, and the chairman and vice chairmen attended the Standing Committee meetings of the provincial party committee as observers and directly participated in the discussion of some major affairs; second, in line with the unified plans of the provincial party committee, the Advisory

Commission discussed special topics related to some major problems and put forward many constructive suggestions; third, the Advisory Commission organized members to study the principles and policies of the party Central Committee, and, on the basis of enhancing understanding, put forward implementation opinions and suggestions in line with Hebei's reality; fourth, in line with the work plans of the provincial party committee, the Advisory Commission went deeply to the grass roots and to the masses to conduct investigations and study, reflected the situation to the provincial party committee, and offered suggestions. During the past five years, comrades of the provincial Advisory Commission wrote 269 investigation reports, many of which were accepted, approved, and transmitted to the lower levels by the provincial party committee and government.

2. The provincial Advisory Commission conscientiously undertook and managed the work the provincial party committee had entrusted to it. During the past five years, the provincial Advisory Commission did its utmost to carry out all tasks entrusted by the provincial party committee and fulfilled all tasks conscientiously and responsibly. During the party rectification period, in addition to having members of the Advisory Commission working in the forefront to participate in the local or departmental party rectification leadership work, four comrades participated in the work of the provincial party committee, organized a party rectification liaison group, and fulfilled their responsibility in implementing the central decision on party rectification and accomplishing our province's party rectification work. More than 20 members of the Advisory Commission participated in the work on inspecting leading bodies of relevant prefectures and cities, provincial-level departments and bureaus, colleges, and universities, which was unitedly organized by the provincial party committee; participated in the investigation and handling of some major problems in the province; and participated in inspecting the situation in carrying out the improvement and rectification campaign in the province and in the implementation of the sixth plenary session guidelines. Entrusted by the provincial party committee, the Advisory Commission organized three members of the Standing Committee and six members to conduct a special investigation of the work related to veteran cadres and children, and the problem of eliminating poverty in some villages where veteran party members of the first and second revolutionary civil war were residing, put forward suggestions, and played a definite role in improving and successfully carrying out the work in this aspect. Entrusted by the General Office of the central Advisory Commission, the provincial Advisory Commission also cooperated with departments concerned to organize various prefectures, cities, and counties in our province's Taiheng Shan areas to participate in the "economic development and commodity sale exhibition of three mountainous areas" (Jinggang Shan, Taiheng Shan, Yimeng Shan), and publicized the profound economic changes in the old revolutionary bases since the third plenary session of the 11th Central

Committee. Under the leadership of the provincial party committee, the Advisory Commission also cooperated with prefectures and cities concerned to organize activities to commemorate the 45th anniversary of the victory of combating the mopping-up operations of the Japanese, launched by the anti-Japanese army and people in the southern part of Hebei on 29 April, and was praised by leading comrades of the central departments concerned.

3. The Advisory Commission conscientiously and responsibly sorted out and compiled party history data. Advisory Commission comrades were quite familiar with party history and history on revolutionary struggles and had a strong sense of historical responsibility. In order to record and keep these precious historical data and important experiences and to educate and inspire the later generation, most members actively participated in this work and put in a lot of hard work. They organized or participated in forums to collect and study party historical data, provided and collected party historical data, or personally sorted out and compiled party historical data and revolutionary reminiscences. They also published and issued some works on party history and articles on commemorations and recollections, and lauded the historical contributions of revolutionaries of the older generation and the glorious deeds of the late comrades-in-arms.

4. The Advisory Commission extensively conducted social work and actively publicized the party's principles and policies. During the past five years, the members, in line with their health conditions and their own expertise, aspiration and interest, adopted various forms to establish more than 40 contact points in the rural areas, plants, schools, and grass-roots units, carried out social work in various aspects, and strengthened ties with the broad masses of people.

5. The Advisory Commission strengthened contacts with other provinces, cities, and autonomous regions. During the past five years, it regularly and unceasingly exchanged information with the advisory commissions of various fraternal provinces, cities, and autonomous regions, purposefully inspected other provinces and cities to study their advanced experiences in building the party and the two civilizations and in reforms and opening up, and wrote 50 reports in line with Hebei's reality and submitted them to the provincial party committee. This move contributed to strengthening our province's lateral ties and cooperation with other provinces and cities.

On the basis of summing up the past five years of work, the "report" also touches on several experiences: The decision of establishing the provincial-level advisory commission is correct because it helps to promote cooperation between old and new cadres and the succession of the new to the old; persisting in carrying out work under the leadership of the provincial party committee is the fundamental principle for successfully carrying out the work of the Advisory Commission; persisting in the

study with unwavering and conscientious efforts and doing a good job in self-improvement is the important precondition for successfully carrying out the work of the Advisory Commission; and conducting investigation and research is an important way to display its assistant and advisory role.

The "report" also touches on future work: The new Advisory Commission elected by the fourth Hebei Provincial CPC Congress should continue to take economic construction as the central task under the leadership of the newly elected provincial party committee, uphold the four cardinal principles, implement the guidelines of the fourth, fifth, and sixth plenary sessions of the 13th Central Committee, and work hard to fulfill all tasks put forward by the fourth provincial party congress. First, the Advisory Commission should exert all-out efforts to support the work of the provincial party committee as before and should play a better role in serving as a political assistant and adviser to the provincial party committee. Second, it should further improve itself. Third, it should work more for further strengthening party building, ideological and political work, and the flesh-and-blood ties with the masses.

### Wang Qun Speaks at Forum on United Front Work

SK1608065390 Hohhot NEIMENGGU RIBAO  
in Chinese 16 Jul 90 p 1

[Text] On the afternoon of 15 July, at the forum held by the regional united front work conference with the participation of responsible deputy secretaries of various league and city party committees and directors of united front work departments of various league and city party committees, regional party committee Secretary Wang Qun emphasized: To build a socialism with Chinese characteristics and to promote stability and prosperity of the frontier, as well as the common prosperity of the people of all nationalities, we must have a most extensive united front.

Qian Fenyong, deputy secretary of the regional party committee, presided over the forum. Present at the forum were Bu He, Shi Shengrong, Chen Kuiyuan, Wuyunqimuge, Bai Enpei, Butegeqi, and Wu Ligeng, leaders of the region; and Zhou Junqiu, director of the united front work department under the regional party committee.

Wang Qun said: The current regional united front work conference is very important. The two important speeches of Comrade Jiang Zemin with regard to the united front work relayed at the current regional united front work conference are very strong in theory and ideology; have summarized, inherited, and developed the experience and theory of the history of the party's united front; and thus are programmatic documents of the CPC Central Committee's leading collective of the third generation to guide the united front work in the future.

Wang Qun said: The united front is a major magic weapon of our party and occupies an important and strategic position in the cause of building socialism with Chinese characteristics. Our region has a glorious tradition in united front work. The veteran proletarian revolutionaries, represented by Comrade Ulanhu, made immortal contributions under the CPC's leadership to realizing the reunification of the motherland and the unity of nationalities, thus being glorious examples in developing the united front. Since the third session of the 11th Central Committee, our region has scored gratifying achievements in the united front work under the leadership of party committees and governments at all levels. We should keep up and carry forward the glorious tradition of the united front work and implement in a down-to-earth manner the guidelines of the speeches of General Secretary Jiang Zemin.

Wang Qun said: To make the united front work a success, we must hold high the banners of socialism and patriotism, unite all forces that can be united, arouse all positive factors, and work with one heart and one mind to help promote the socialist modernization, reform, and opening up, to help strengthen the socialist democracy and legal system, and to help promote the realization of the "one country, two systems" and the "peaceful reunification of the motherland." In our region, it is all the more necessary to give top priority to safeguarding unity, stability, and the common prosperity of all nationalities.

Wang Qun stressed: The united front has constantly been an integral part of the general line and the general policies of the party. Party committees at all levels should actually strengthen leadership over the united front work, place this work in an important position, and list this work as an item on their daily agenda. Top and secondary leaders of party committees at all levels should take a personal interest in and personally take part in this work. At the same time, we should strengthen the building of the ranks of united front cadres in order

to ensure that the ranks are loyal to Marxism, socialism, the party, and the motherland.

Also speaking at the forum were He Zukan, Eerdemutu, Tala, and Wang Shangluo.

#### Inner Mongolia People's Congress Meets

SK1608064690 Hohhot Inner Mongolia Regional Service in Mandarin 1000 GMT 15 Aug 90

[Text] The 15th Standing Committee meeting of the seventh autonomous regional people's congress held its first plenary session in Hohhot this morning. Batubagen, chairman of the autonomous regional people's congress Standing Committee, presided over the session. Attending were Vice Chairmen Butegeqi, Zhang Cangong, Seyinbayar, Xu Lingren, Bai Junqing, Liu Zhenyi, Sha Tuo, and Zhou Rongchang, and members of the Standing Committee, totaling 41 persons. Zhao Zhihong, vice chairman of the autonomous regional government; Zhang Hesong, chief procurator of the autonomous regional people's procuratorate; and (Gao Jianbin), vice president of the autonomous regional higher people's court, attended as nonvoting delegates.

Badalahu, secretary general of the autonomous regional people's congress Standing Committee, gave an explanation on the draft agenda of the meeting. The session approved the agenda of the 15th Standing Committee meeting of the seventh autonomous regional people's congress, and heard a report by (Gao Jianbin), vice president of the autonomous regional higher people's court, on preparations for and opinions on enforcement of the PRC administrative procedural law, a report of (Zhou Weide), director of the autonomous regional economic commission, on our region's fulfillment of the 1990 national economic and social development plan given on behalf of the autonomous regional government, and a report of (Gao Wenfa), deputy director of the autonomous regional finance department, on our region's fulfillment of the 1990 financial budget given on behalf of the autonomous regional government.

**BELJING REVIEW Article on Reunification**

OW1608095190 Beijing BEIJING REVIEW in English  
No. 33, 13-19 Aug 90 pp 14-16, 21-22

[Article by Wen Qing: "One Country, Two Systems' The Best Way to Peaceful Reunification"]

[Text] "One country, two systems" is a scientific concept put forward by Deng Xiaoping for the peaceful solution to the issue of China's reunification; it is a new policy adopted by the Communist Party of China (CPC) towards Taiwan under the new situation.

**Formation of the Concept**

The "one country, two systems" concept was formed after repeated discussion and careful consideration.

On December 15, 1978, while speaking about the work related to Taiwan, Deng Xiaoping proposed a third round of Kuomintang-CPC cooperation to bring about reunification of the country. According to him, Taiwan's socio-economic system, lifestyle and foreign investment will remain unchanged and its army will become local armed forces. The watchword is patriotism, or, in Deng's words, "All patriots belong to one big family."

The Communiqué of the Third Plenary Session of the 11th Central Committee of the Communist Party of China adopted on December 22, 1978, pointed out: "The normalization of relations between China and the United States further places before us the prospect of the return of our sacred territory Taiwan to the embrace of our motherland and the accomplishment of the great cause of reunification."

On January 1, 1979, the Standing Committee of the Fifth National People's Congress at its Fifth Session published the Message to Compatriots in Taiwan, making known to the world the cardinal policy for reunification of the country. The message stated, "In accomplishing the great cause of reunifying the motherland, we respect the status quo on Taiwan and the opinions of people in all walks of life there; we adopt reasonable policies and measures in settling the question of reunification so as not to cause the people of Taiwan any losses."

On January 30 the same year, Deng Xiaoping told a meeting of the Sino-U.S. Friendship Association and the All-America Chinese-Americans Association: "We no longer use the phrase 'liberate Taiwan.' So long as Taiwan returns to the embrace of the motherland, we will respect Taiwan's reality and its current system."

In a talk given on April 20, 1980, Deng Xiaoping stated: "Taiwan is allowed to keep its social system and lifestyle intact. It is even permitted to function as a local government and retain its armed forces, as long as the Taiwan authorities recognize Taiwan as part of the People's Republic of China. It is a local government with a wide range of autonomy."

In his interview with a XINHUA correspondent on September 30, 1981, the late Ye Jianying, chairman of the Standing Committee of the National People's Congress, elaborated on the policy concerning China's peaceful reunification, (referred to as the 'nine-article statement' for short). Article 3 says, "After the country is reunified, Taiwan can enjoy a high degree of autonomy as a special administrative region and it can retain its armed forces. The central government will not interfere with local affairs on Taiwan." Article 4 says, "Taiwan's current socio-economic system will remain unchanged, so will its way of life and its economic and cultural relations with foreign countries. There will be no encroachment on the proprietary rights and lawful right of inheritance over private property, houses, land and enterprises, or on foreign investments." These two articles outline the basic content of the "one country, two systems" concept.

In his talks with foreign guests on January 11, 1982, Deng Xiaoping summed up for the first time the idea of "one country, two systems." He said, "The 'nine-article statement' made in the name of Vice-Chairman Ye (Ye Jianying was then vice-chairman of the CPC Central Committee), actually means one country, two systems." Two systems are permissible. They (Taiwan) should not undermine the mainland's system, neither should we undermine theirs. Roughly speaking, these articles apply to not only the question of Taiwan, but the issue of Hong Kong as well." Since then, the CPC's concept for the solution to the Taiwan issue has basically taken shape.

In a meeting with British Prime Minister Thatcher in September 1982, Deng Xiaoping publicly presented the "one country, two systems" concept. He said, "...with regard to the recovery of sovereignty over Hong Kong, it can be resolved by following the 'one country, two systems' formula."

In June 1983, when meeting with Dr. Winston L.Y. Yang, professor of a university in New Jersey, Deng Xiaoping clearly noted that "after the reunification of the motherland, the Taiwan Special Administrative Region can have its own independence, practise a system different from that of the mainland, and its independent judiciary and right of final judgment need not reside in Beijing. Taiwan can retain its army so long as it does not constitute a threat to the mainland. The mainland will station neither troops nor administrative personnel in Taiwan. Taiwan's party, government and army departments are managed by Taiwan itself. The central government will reserve some seats for Taiwan." Deng also pointed out, "The systems can be different, but only the People's Republic of China can represent China in international affairs."

On October 15, 1984, the weekly OUTLOOK published an article quoting Deng Xiaoping as saying, "the one country, two systems' concept is an important strategic decision; it is not a measure of expediency."

On December 19, 1984, when the joint declaration on the issue of Hong Kong was signed in Beijing between China and Britain, the "one country, two systems" formula was

written into an international accord for the first time. This fact proves the practicality of the concept.

From the above fact it can be seen: First, the starting point of the "one country, two systems" concept is the solution to the question of China's reunification, that is, the solution to the issues of Taiwan, Hong Kong and Macao. Second, a comparison between the question of Hong Kong and Macao and that of Taiwan shows that they are different in two aspects: first is the difference in nature and second is that conditions for solution are different. Hong Kong and Macao are a matter of resuming exercise of sovereignty, which requires negotiation with foreign countries. Taiwan is a matter of internal affair among the Chinese, which is to be resolved through co-operation between the ruling parties of the two sides across the Taiwan Straits. With regard to the terms of solution, they are more relaxed for Taiwan than for Hong Kong and Macao on matters such as the stationing of troops. Third, the "one country, two systems" concept is designed to address the issue of Taiwan, but it will first be implemented in dealing with question of Hong Kong. Fourth, "one country, two systems" is a strategic decision. In the course of resolving the Taiwan issue, the concept will be enriched, supplemented and brought to perfection in accordance with the different opinions of various quarters.

### The Connotations

The contents of the "one country, two systems" can be summed up as follows: Within the unified People's Republic of China, the mainland practises socialism, while the current capitalist system of Taiwan, Hong Kong and Macao will remain unchanged. With socialism as the main, the whole country will include the three special administrative regions under a different social system.

The "one country, two systems" is, in the first place, one country, i.e., the People's Republic of China, not "two countries." This is the prerequisite, a precondition. There can only be one China in the world, there cannot be "two Chinas." There cannot be "Two Chinas" in a disguised form nor can the "independence of Taiwan" be tolerated.

With regard to reunification with Taiwan, a few points have to be made: First, the reunification of China's mainland with Taiwan is China's internal affair which brooks no interference from outsiders. Second, China's peaceful reunification is in the interest of peace in Asia and the whole world. With regard to China's peaceful reunification, we welcome efforts, if any, made by politicians and people of all circles in foreign countries to promote this cause through their own influence. Third, we firmly oppose any country or individual who obstructs or sabotages China's reunification in whatever manners. We will never tolerate any plot and act to create "two Chinas," "one China, one Taiwan," or the "independence of Taiwan." Fourth, under the principle of one China, the central government has no objection to Taiwan's economic, cultural and other non-governmental relations with foreign countries. Taiwan can join non-governmental or certain specialized international organizations in the name

of "China's Taiwan" or "China's Taipei," attend non-governmental international conferences and take part in specific multilateral foreign affairs activities, but in doing so it must change its flag, anthem and emblem. This policy demonstrates the CPC's respect for reality.

The "two systems" is an important component of the "one country, two systems" concept. Without the "two systems," the concept would be non-existent. The "two systems" will continue at least 50 years as the Sino-British Joint Declaration clearly stipulates that after the recovery of sovereignty over Hong Kong, its capitalist system will remain unchanged for 50 years. After the reunification of Taiwan with the mainland, the duration of time during which it will retain capitalism will not be shorter than that allowed for Hong Kong. The Communist Party of China has long indicated that peacefully reunifying the motherland was an established policy and that, after China's peaceful reunification, the "one country, two systems" would be put into practice.

The policy of allowing Taiwan, Hong Kong and Macao to keep the capitalist system for 50 years means that the mainland government will not force its system on them or interfere in their internal affairs. Reunification will be based on reality. It does not mean that one side gobbles up the other. Relevant stipulations have been laid down in the state's Constitution and specific policies.

With regard to the various factions and divergent opinions existing in Taiwan, Hong Kong and Macao, it is up to their respective authorities to handle. The central government is concerned with only two matters: one is that Taiwan, Hong Kong and Macao cannot be separated from the motherland; and, second, they should not constitute a threat to the mainland and should not serve as a base to subvert socialism and the People's Republic of China.

### Theoretical Basis

There is a theoretical basis for the "one country, two systems" concept.

First, it was adopted after the Third Plenary Session of the 11th Central Committee, the Communist Party of China restored the ideological line of seeking truth from facts. At that time, the whole Party and the people of the whole country were confronted with "three major tasks for the 1980s": construction, combating hegemony and reunification. Although these tasks cannot be completed in the 1990s, they must be placed high on the agenda. As far as "reunification" is concerned, there are only two methods, through force or through peaceful means. But peaceful means are obviously the ideal choice. This is because, first, China needs a peaceful environment for construction, not a destructive war; second, any conflict between the compatriots in the mainland and Taiwan can only weaken the Chinese nation, to the benefit of outsiders; third, liberation by armed force will inevitably consume large amounts of human, material and financial resources and hamper the development of the Chinese nation; and fourth, Taiwan compatriots oppose the possible consequences of a war and do not want to change their present way of life.

Peaceful reunification conforms with the wishes of the people on both sides of the Taiwan straits.

A peaceful solution requires consideration of the interests of the various related quarters, including the Kuomintang and other political parties, organizations and people of all strata. Of course, the overall interests of the Chinese nation are of paramount importance. Only the method of "one country, two systems" can make all this possible. This method enables Taiwan to return to the embrace of the motherland without suffering major turbulence and guarantees Taiwan's prosperity and stability. It helps accomplish China's reunification and allowed Taiwan to remain in touch with the various parts of the world, particularly the capitalist world, and retain the necessary international conditions for further development. Although Taiwan is different from the mainland, the two can form close ties, complement and help each other for common progress.

Since a peaceful method is advocated for reunification, why doesn't the CPC promise refrain from using force? The Communist Party of China has repeatedly declared that it does not want or prepare to use force, there are three main reasons why it does not commit itself to give up the use of force: First, matters that concern national dignity must not be handled at the beck and call of a foreign country and any promise that would harm national dignity must not be made. For matters relating to China's internal affairs, we will not tolerate any foreign country's indiscreet remarks. Since some foreign countries have always cast greedy eyes on Taiwan, we must not bind ourselves hand and foot and thus be at a loss what to do if foreign involvement should occur. Second, the statement is also directed against the plot for the "independence of Taiwan." The "movement for independence of Taiwan" is making increasing noise and so we must be on the alert. Third, the statement is aimed at those Kuomintang members opposed to reunification. If we promised to relinquish the use of force, these people would wax cocky and never accept peace negotiations.

**Second, the "one country, two systems" concept fits in with the theory on the primary stage of socialism and constitutes one characteristic of Chinese-styled socialism.**

According to Deng Xiaoping's plan, China's socialist modernization should proceed in three steps: First, double the 1980 gross national product (GNP) to solve the problem of clothing and feeding the Chinese people; second, redouble the 1980 GNP by the end of the century so that the people will become well off; third, by the middle of the next century, basically accomplish modernization, that is, the per-capita GNP will reach the level of a moderately developed country and the Chinese people can live a comparatively affluent life." Throughout the period, the mainland will be in the primary stage of socialism while Taiwan practises capitalism. That is to say, the "one country, two systems" will persist throughout the primary stage of socialism.

The solution of the issue of Hong Kong and Macao will put an end to the century-old national humiliation and set the stage for the settlement of the Taiwan question.

**Third, the "one country, two systems" represents a development of Lenin's strategic idea of "taking advantage of capitalism."** Shortly after the founding of New China, the Communist Party of China creatively applied this idea when it adopted a policy of utilizing, restricting and transforming the national bourgeoisie.

After 1978, in order to build socialism with Chinese characteristics, the Party adopted the policy of diversifying the economy with socialist public ownership as the mainstay and giving full play to the role of the individual economy, the private economy as well as Sino-foreign joint ventures, co-operative enterprises and wholly owned foreign enterprises as necessary supplements to the socialist economy. In addition, special economic zones and open cities were established. All these policies are aimed at making capitalism serve socialism.

The "one country, two systems" formula developed the idea of "making use of bourgeois capital" by allowing two or three capitalist regions to exist in a socialist country. This is a development of great significance.

**Fourth, the "one country, two systems" concept is an application of the principle of "peaceful coexistence" for settling domestic questions.** It also provides an example for solving certain international disputes.

The peaceful co-existence between countries with two different social systems was proposed by Lenin. In 1954, the prime ministers of China and India initiated the Five Principles of Peaceful Coexistence and, in April 1955, the Five Principles were confirmed by the Bandung Conference. When the principle of peaceful coexistence was taken to apply to China's domestic affairs, the "one country, two systems" concept was put forward. On October 31, 1984, when meeting with Burmese President U San Yu, Deng Xiaoping noted, "Viewed from international experience, the Five Principles of Peaceful Coexistence have a strong vitality," and, as we further consider such questions, the principle of 'peaceful coexistence,' when applied to solving a country's domestic problems, is perhaps also a good guide because the 'one country, two systems' we have put forward entails yet another form of peaceful coexistence."

In the world today, there is no lack of precedent for the use of the armed forces to solve many knotty problems. The solution of the Hong Kong issue by China and Britain demonstrates that it is entirely possible to solve certain international disputes by the method of "one country, two systems." Therefore, the "one country, two systems" concept has enriched the principle of peaceful coexistence and made it possible to avoid sharp domestic and international conflicts. It is not difficult to see that the "one country, two systems" concept will become an important factor for long-term stability in the world; it is where its significance to world peace lies.

**Fifth, the law of unity of opposites is the theoretical basis of the "one country, two systems."** Unity of opposites is the basic law governing everything in the universe. According to Mao Zedong's explanation, two conflicting aspects struggle against and depend on each other at one and the same time, and, under given conditions, they coexist in one entity; under other given conditions, one side may be transformed into its opposite. Undoubtedly, socialism and capitalism are antagonistic, but they also maintain close ties. Socialism is established on the capitalist material foundation; they two are linked in the chain of development of human history. In a certain historical stage, they will coexist and infiltrate each other. The value of the "one country, two systems" concept is that in a socialist country, it is possible to keep several capitalist regions intact, a practice which also benefits socialism.

In short, the "one country, two systems" is a strategic policy adopted by the Chinese Communist Party in the highest interests of the Chinese nation and in light of the status quo of the two sides. Making China united, prosperous and powerful is the common desire of all the Chinese people. The issue of Taiwan will eventually be solved; the "one country, two systems" concept will become the best method to achieve China's peaceful reunification.

#### **Zou Jiahua Meets Taiwan Commercial Group**

*OW1308100290 Beijing XINHUA in English  
0937 GMT 13 Aug 90*

[Text] Beijing, August 13 (XINHUA)—Zou Jiahua, state councillor and minister in charge of the State Planning Commission, met here this afternoon with a visiting industrial and commercial group from Taiwan.

Zou briefed the guests, led by Pei-ying Chang, president of the Delta Group of Taiwan, on the social and economic development on the mainland in the past four decades.

He hoped business people in Taiwan province will enhance cooperation with their counterparts on the mainland.

Pei-ying Chang said that he and his party are happy to make efforts in developing the national economy on both sides of the Taiwan Straits.

During their week stay on the mainland, the guests are scheduled to visit Nanjing, Shanghai, Xiamen and Guangzhou, studying the economic situation and investment environment in those places and holding business discussions with relevant departments.

#### **Taiwan, Malaysia To Join Fiber Optic System**

*OW1508015190 Beijing XINHUA in English  
0126 GMT 15 Aug 90*

[Text] Hong Kong, August 15 (XINHUA)—A fiber optic submarine cable system planned to be built to connect

Hong Kong and Singapore and Japan will be expanded to include Malaysia and Taiwan, according to Hong Kong Telecom International.

The overall cost of the project is estimated at 310 million U.S. dollars and the cable, which can carry about 30,000 telephone calls simultaneously on each of the three fiber pairs will move traffic at a swift 560 mbit per second.

The 7,600 kilometer-long cable will be the longest fiber optic network in Asia, complementing the two fiber optic systems already in place in Hong Kong, the Hong Kong-Japan-South Korea cable and the Hong Kong-Taiwan cable that came on line this summer.

The new system is expected to be open to traffic by mid-1993.

After the project is completed, Hong Kong will not only have diverse routings for international telecommunications across the Pacific Ocean, but will also be able to reach Europe through the Indian Ocean system and link up with the ASEAN optical fiber submarine cable system as well, Hong Kong Telecom International said.

#### **Taiwan Warship Collides With Fishing Boat**

*OW1508175290 Beijing XINHUA in English  
1529 GMT 15 Aug 90*

[Text] Hong Kong, August 15 (XINHUA)—21 mainlanders were missing and 29 were rescued after a fishing boat carrying 50 mainlanders being repatriated was sheared in half on August 13 by an escorting Taiwan warship, according to reports yesterday by Taiwan and Hong Kong newspapers.

There is little hope for the 21 missing people as rescue efforts have stopped, according to survivors interviewed at a press conference held by Taiwan military authorities.

Survivors at the conference, who appeared "quite angry," accused Taiwan's military of "acting too late to rescue them," reports say.

It was not until about 2400 hours, two hours after the boat sank that rescue operations began."

The tragedy took place at 2200 hours on August 13 about 13 nautical miles north of Taiwan's Keelung Port where the fishing boat—also from the mainland—was forced to leave for east China's Fujian Province.

This is the second tragedy in the Taiwan authorities' repatriation operations. Twenty-five mainlanders were found suffocated on July 22 in sealed cabins on a fishing boat.

A report by Taiwan's "CENTRAL NEWS AGENCY" quoted a survivor as saying that more repatriated mainlanders would have died if the mainlanders had not broken boards in a sealed cabin and escaped before the collision.

**Economy To Grow 5.5 Percent in 1990**

OW1508213490 Taipei CNA in English 1614 GMT  
15 Aug 90

[Text] Taipei, Aug. 15 (CNA)—The chief of a private economic think tank forecast Wednesday [15 August] that the Republic of China economy would grow between 5.5 and 6 percent this year, down 0.5 percentage points from his earlier prediction.

Liu Tai-ying, director of the Taiwan Institute of Economic Research, said rises in international oil prices were not the main cause for the relatively slow growth.

He said that from a long-range point of view, international crude prices would remain at 20-25 US dollars a barrel, a 50 percent increase over the first half of this year.

Liu predicted that the current price hikes on the international oil market would affect the Republic of China's annual economic growth by less than 0.2 percent.

The main cause for the slower economic growth was the economy's recent recession, particularly the heavy losses in share prices which drastically cut expenditures for consumer durables, according to the renowned economist.

Because stock transaction fees were listed in the consumption sector of the gross national product, Liu continued, the recent stock market [word indistinct] would cause about a one-percentage- point decline in the economic growth rate.

Vice Economics Minister Chiang Ping-kun, somewhat more optimistic than Liu, estimated that the economy would grow 6 percent in 1990.

Chang offered assurances that there would be no stagflation since commodity price increases could be kept at the 5-percent level.

He quoted the Commodity Prices Supervision Board as saying that only if annual economic growth were less than 2 percent and if commodity prices registered a double-digit rise would stagflation result.

"Apparently our economy is in a far better position than that," Chiang said.

He cautioned, however, that psychological expectation of rising commodity prices would be an unfavorable factor which could cause real price hikes.

**Editorial on Need To Upgrade Defenses**

OW1508122390 Taipei CHINA POST in English  
11 Aug 90 p 4

[Editorial: "Upgrading Our Defense Capabilities"]

[Text] Iraq's invasion of Kuwait has aroused concern in our society about our ability to defend this island against an attack from across the Taiwan Strait.

This is indeed something which deserves more attention.

Like Kuwait, Taiwan is an affluent society where the people enjoy a high standard of living. Yet, our good life has led to a relaxation of vigilance in preparing for an invasion by mainland China.

Moreover, there, is now a body of opinion here that the mainland is militarily incapable of invading Taiwan and that it would refrain from making an attack because of the reactions this would arouse from other countries, in particular the United States.

Nothing is further from the truth.

The mainland has a large number of submarines and is likely to apply a blockade of our island if it is determined to resort to force. In addition, the mainland's mid-and long-range missiles could reach Taiwan in minutes.

If peking could kill innocent college students with machine guns and tanks without regard for the censure the action would evoke in the international community, why should it hesitate to use force against Taiwan if it believes the island cannot repel such an attack?

The only way to prevent a Communist invasion is for us to maintain a strong defense. This goal takes precedence of all other priorities. The achievements we have made in developing the island could be destroyed overnight if we allow our defense to weaken.

Toward that end, the government and the people should make every effort to modernize the country's defense system. The most urgent task is the development of sophisticated weapons so that we will maintain our qualitative superiority over the mainland.

Minister of National Defense Chen Li-an said recently that the government is trying to develop and purchase sophisticated weapons to strengthen the Republic of China's defense capabilities. We hope that the government is working actively to carry out the plans. We hope, too, that legislators will support the Ministry of National Defense's plans for renewing the military and avoid making big cuts in the government's defense budget.

As important as the development of advanced weaponry is the heightening of the people's alertness. This does not mean we should live under the shadow of a possible war. We should, however, avoid living a life of ease and comfort that makes us negligent and inert. That kind of lifestyle would make it difficult for us to defend our island bastion, which is vulnerable to an attack as long as the mainland is controlled by the communists.

We must remain alert.

**PRC Asked To Stop Sending Illegal Entrants**  
*OW1508210890 Taipei CNA in English 1542 GMT  
15 Aug 90*

[Text] Taipei, Aug. 15 (CNA)—Government Spokesman Shaw Yu-ming Wednesday [15 August] asked the Chinese Communists to stop sending mainland people to Taiwan, or at least not to turn a blind eye to the large number of mainland people smuggling themselves into Taiwan.

Whatever their reasons, the Chinese Communists should be held responsible for the influx of more than 10,000 mainland stowaways into Taiwan during the past three years, the director general of the Government Information Office told a press conference.

The Chinese Communists' tight coastal controls would have prevented the continuous human traffic should the illegal entrants have not had the go-ahead from communist authorities, Shaw reasoned.

"We fully understand that a majority of the mainland entrants were driven by hard lives," still, Shaw urged them not to try to sneak into Taiwan at such great personal risk.

**President Li on Need To Repatriate Stowaways**  
*OW1508210790 Taipei CNA in English 1537 GMT  
15 Aug 90*

[Text] Taipei, Aug. 15 (CNA)—President Li Teng-hui Wednesday [15 August] stressed the importance of national security, and the needs to repatriate mainland Chinese stowaways.

Lee, in his capacity as the Kuomintang chairman, presided over a meeting of the Kuomintang's Central Standing Committee. Premier Hau Po-tsun, member of KMT Central Standing Committee, made a report on two recent marine accidents in which mainland Chinese stowaways were being deported.

Twenty-five mainland Chinese stowaways were found dead on July 23 aboard a fishing boat off Fukien Province after being repatriated from Taiwan. Another 21 mainland Chinese aboard a fishing boat were missing after their boat collided with a Republic of China Navy ship off the northern Taiwan port of Keelung Monday night.

Premier Hau Po-tsun had earlier called the August 13 incident "unfortunate and regrettable." He said, however, the mainland Chinese stowaways were deported for the security and well-being of the 20 million people on Taiwan. "Repatriation will continue in spite of the two accidents," Hau stressed.

Hau urged the people to have a clear understanding on the two accidents. He said that the number of illegal mainland entrants had increased since 1979. If they had

not been deported, their number would have rise to hundreds of thousands soon, and pose a threat to national security.

In a statement issued later in the day in his capacity as the premier, Hau reiterated the Republic of China Government's concern about the mainland Chinese and the needs to repatriate illegal entrants.

In the past three years hundreds of fishing boats carrying more than 10,000 stowaways have been sent back to mainland China. No tragedies were reported until the recent two incidents popped up.

**Further on Collision With Mainland Boat**

**Rescue Mission Extended**

*OW1508211090 Taipei CNA in English 1547 GMT  
15 Aug 90*

[Text] Taipei, Aug. 15 (CNA)—The Defense Ministry Wednesday [15 August] decided to extend to 96 hours its attempt to rescue [word indistinct] mainland Chinese missing after a fishing boat carrying them back to the mainland collided with a naval vessel and capsized off northern Taiwan. The decision came as air and maritime rescue efforts continued for the second day off the northern and northeastern Taiwan coast. S-70 C helicopters and eight naval vessels were mobilized to search for survivors.

Rescuers recovered three bodies 13 nautical miles off the northeastern Taiwan County of Ilan at 4 p.m. and sent them to Keelung in the evening, but their identities were still unknown.

The sky was clear and the sea was calm. Rescuers said the good visibility would help the rescue mission, which was originally scheduled for 72 hours.

**Navy Says Boat Tried To Escape**

*OW1508211190 Taipei CNA in English 1602 GMT  
15 Aug 90*

[Text] Taipei, Aug. 15 (CNA)—The Mainland Chinese fishing boat Min Ping Yu No. 5202 tried several times to evade escorting Republic of China [ROC] naval ships' surveillance before colliding with a naval vessel, ROC Navy Headquarters said Wednesday [15 August].

Min Ping Yu No. 5202, with 50 mainland Chinese aboard, split in two and sank after colliding with the Navy's No. 834 ship late Monday night. Twenty-one mainland Chinese were still missing; 29 others were rescued.

Naval headquarters said the collision had been caused by the fishing boat's repeated attempts to escape in the darkness from the escorting ships.

Navy Commander-in-Chief Yeh Chang-tung said the Navy would never shirk its responsibility for the tragic

incident. He would ask the Keelung Port to form a "wartime council" before Thursday to determine who should be held responsible.

The Navy would from now on use day time to repatriate mainland Chinese found to have entered Taiwan illegally, and the whole process would be recorded for future reference, Yeh told the press.

According to the Navy's report, Min Ping Yu No. 5202 suddenly turned toward shore after passing Kuishan islet; it turned back in the proper direction only after being chased by two Navy patrol boats.

At 6:00 p.m. Monday, the fishing boat tried again to turn eastward, but returned to its original westward direction after being warned by the Navy's No. 834 ship.

At 7:00 p.m., the mainland boat suddenly turned off its lights and tried to escape from the three ROC naval escorts. The mainland boat turned on its lights again and resumed sailing along the pre-set route after the No. 834 vessel had used loudspeakers to urge it to do so.

At 7:40 p.m., the mainland boat again deviated from its westbound route and sailed toward Pengchia Islet, only to be intercepted by the two patrol boats.

At 9:30 p.m., Min Ping Yu No. 5202 tried once again to use the cover of darkness to escape from the three Navy ships. The two patrol boats ordered it back alongside the No. 834.

At 10:00 p.m., Min Ping Yu, sailing at the right of No. 834, suddenly accelerated its speed, thus prompting No. 834 to accelerate in order to catch up. Five minutes later, the fishing boat made a sudden left turn in a bid to sail ahead of No. 834.

The Navy vessel No. 834 quickly yielded and used both light signals and loudspeakers to urge the Min Ping Yu back to its pre-set route. Min Ping Yu then was only 200 yards from No. 834.

At 10:08 p.m., Min Ping Yu again turned leftward. Though No. 834 took emergency steps to avoid hitting the fishing boat, the boat's left side bumped into the vessel's prow and split in two.

The No. 834 immediately stopped its engine and began rescue operations together with the other two patrol boats. By 11:20 p.m., 29 aboard the fishing boat had been pulled from the seas, while another 21 were missing.

The 29 rescued mainland Chinese were delivered to the Keelung Port by the No. 834 vessel at 3:00 p.m. Tuesday. Navy headquarters then immediately arranged for them to meet the press.

### Control Yuan Investigates

*OW1508211890 Taipei CNA in English 1608 GMT  
15 Aug 90*

[Text] Taipei, Aug. 15 (CNA)—The Control Yuan, the country's supreme watchdog body, Wednesday [15 August] began an investigation of a fatal ship collision in which a mainland Chinese fishing boat carrying 50 mainland stowaways being repatriated by the Republic of China Government sank.

The yuan assigned four members to investigate the late Monday accident in which the fishing boat, having left a northeastern Taiwan port earlier in the day for the mainland, broke apart and capsized off the northern Taiwan port of Keelung after colliding with an escorting naval frigate.

The four visited the Navy's third military zone command in Keelung and later questioned the 29 rescued repatriates at an accommodation center in Taichung, central Taiwan, in order to ascertain the facts about the accident.

Accompanied by Defense Minister Chen Li-an and Naval Commander in Chief Admiral Yeh Chang-tung, they inspected the frigate involved in the accident and heard a briefing by its skipper, Commander Lei Tao-chang.

Minister Chen said he believed the event was a pure accident, but he added that if there were any error on the military's side, the Defense Ministry would see to it that the shortcomings were corrected.

The commander of the Navy's third military zone, Admiral Wu Tze-fang, blamed the accident on the fishing boat, the Min Ping Yu No. 5202, saying the tragedy had been caused by the boat's attempts to escape from the escorting frigate.

The Control Yuan members pledged to uncover the facts and to push the military to significantly improve the repatriation process if it was to blame for the accident.

### Red Cross To Observe Repatriation

*OW1508212190 Taipei CNA in English 1618 GMT  
15 Aug 90*

[Text] Taipei, Aug. 15 (CNA)—The Red Cross Society of the Republic of China [ROC] will send officials to observe the accommodations and the deportation of illegal mainland entrants, a ranking society official said Wednesday.

Chang Sung-mao, deputy secretary general of the ROC Red Cross, said the decision was made after many rounds of consultations between his society and the Defense Ministry.

Details of the Red Cross' participation in accommodating and repatriating illegal mainland Chinese entrants had yet to be worked out, Chang said.

Defense Ministry officials added that the ROC Red Cross would seek the cooperation of its mainland counterpart in sending and receiving the illegal mainland Chinese entrants on ships decorated with Red Cross flags.

Chang reported that the mainland Chinese Red Cross Society had agreed to receive the mainland Chinese being sent back from Taiwan, but where they would be handed over to the mainland society had not been decided.

He said the mainland Red Cross had sent facsimile messages to his society expressing concern over reports that 21 mainland Chinese aboard a fishing boat were missing following a collision with a Republic of China Navy vessel.

The mainland Red Cross asked the ROC Red Cross to investigate the incident and send to it a list of the names of survivors and of those missing, Chang said.

If fax messages between the two societies cannot solve the problems, Chang said his society would not refuse a mainland Chinese request for a face-to-face meeting to discuss solutions.

#### **Official Denies 300 Malaysians in Jail**

*OW1408222490 Taipei CNA in English 1516 GMT  
14 Aug 90*

[Text] Taipei, Aug. 14 (CNA)—Vice Justice Minister Lin Hsi-hu denied reports Tuesday [14 August] that some 300 Malaysians were serving jail terms in the Republic of China and 30 of them had been sentenced to death.

The reports came after two Malaysian workers were executed in Taiwan June 8 for their involvement in two murders here.

As of the end of June, the Justice Ministry reported, 248 foreigners had either been convicted or involved in law suits here, 135 of them Malaysians.

Charges against the suspect Malaysians include robbery, drugs, theft, and document forgery.

**Hong Kong****Jiang Zemin Wants To Visit 'After 1997'**

*HK1608034390 Hong Kong SOUTH CHINA MORNING POST in English 16 Aug 90 p 3*

[Text] Chinese Communist Party chief, Mr Jiang Zemin, has said he would like to visit Hong Kong but not before the territory's transfer of sovereignty in 1997.

Mr Jiang's stance was revealed by the Chinese State Council's Hong Kong and Macao Affairs Office in its recent reply to an invitation extended by the Hong Kong Civil Association.

In a terse two-paragraph letter dated August 3, the office acknowledged the association's invitation for Mr Jiang.

"General Secretary Mr Jiang said he had no plan to visit Hong Kong yet. If there is such a chance after 1997, he will be very pleased to come in person and have a look at Hong Kong after its reunification with the motherland," the office said.

Mr Jiang replaced Mr Zhao Ziyang as the Chinese Communist Party chief after the Tiananmen Square military crackdown last summer.

His stance on whether to visit Hong Kong, which has been branded by Beijing as a subversive base against China, is in line with that of the Chinese paramount leader, Mr Deng Xiaoping.

Mr Deng has also made clear that he wants to visit the future Hong Kong Special Administrative Region under Chinese rule, but not before 1997.

In response to the reply, the association chairman Mr Hilton Cheong-Leen sent another letter to Zhongnanhai urging Mr Jiang to reconsider his position.

"This is disappointing news as we believe that your visit to Hong Kong before 1997 at an appropriate time would be most welcome by the people of Hong Kong. Such a visit would promote mutual understanding and closer co-operation all round. We therefore hope you can reconsider," Mr Cheong-Leen said.

"We also hope you will encourage other top Chinese Government officials to visit Hong Kong in order to strengthen China's pen policy and modernisation programme, and the 'one country, two systems' policy."

The Civic Association is one of Hong Kong's oldest political groups.

**XINHUA To Help Residents in Iraq**

*HK1508123690 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0930 GMT 15 Aug 90*

[ "Zhou Nan Says XINHUA News Agency Is Ready To Assist Hong Kong Residents in Getting Out of Iraq"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong 15 Aug (ZHONGGUO TONGXUN SHE)—Zhou Nan, director of the XINHUA News Agency Hong Kong Branch, stated that Hong Kong Chinese citizens caught up in and around Iraq presently are all Chinese compatriots; we do care about their situation and will do our best to assist them. The above statement was made in an interview with Hong Kong reporters today.

Zhou Nan said that in the memoranda of the Sino-British Joint Declaration, the Chinese Government has explicitly declared: "According to the PRC nationality law, all Hong Kong Chinese compatriots, whether or not they are holding 'British National Overseas passports,' are Chinese citizens." It is a matter of course that we will give our compatriots all possible assistance in this time of their difficulty. Should relatives and friends of Hong Kong compatriots still being caught up in and around Iraq need our assistance, the XINHUA News Agency Hong Kong Branch can be informed, and we will bear responsibility to relay the conditions to relevant departments in China to give those concerned necessary assistance.

**Sino-British Liaison Group Meeting Ends**

*OW1108074990 Beijing XINHUA in English 0110 GMT 11 Aug 90*

[Text] Hong Kong, August 11 (XINHUA)—A two-day meeting of experts of the Sino-British Joint Liaison Group ended here yesterday [10 August].

During the meeting, the two sides exchanged views on matters relating to the establishment of the Court of Final Appeal in Hong Kong at an appropriate time before 1997.

Chinese representative Zheng Weirong who is leader of the Chinese team told journalists after the meeting that to set up the court of final appeal in Hong Kong before 1997 will be a [word indistinct] change in the existing legal system in Hong Kong.

To handle this issue in a proper way will be conducive to the smooth transfer of power in 1997 and also beneficial to the maintenance of prosperity and stability in Hong Kong, Zheng added.

The British team led by Brian Sutill, deputy registrar of the Supreme Court in Hong Kong, attended the meeting.

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